



Annual Report 2011

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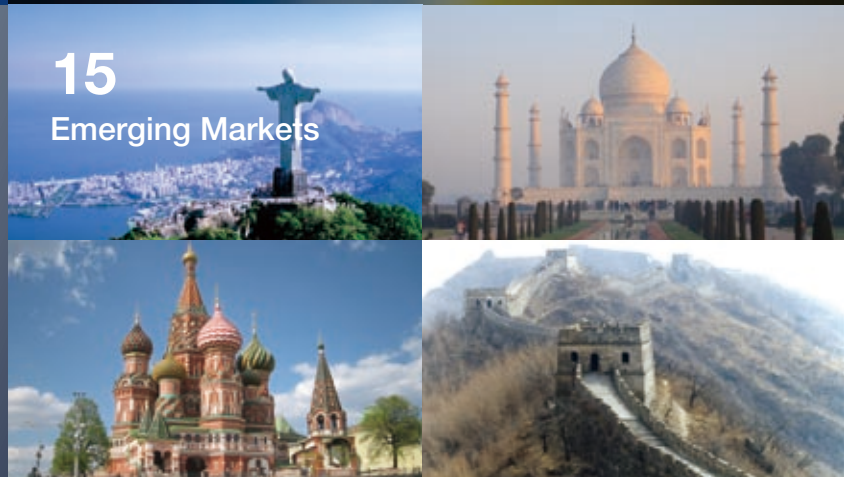
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Artist: Adele
Photo credit: Mari Sarai

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2011 Annual Report on Form 20-F
Corporate Governance Structure
CSR Report
Financial Services Business

<http://www.sony.net/SonyInfo/IR/library/sec.html>
<http://www.sony.net/SonyInfo/csr/governance/index.html>
<http://www.sony.net/SonyInfo/Environment/index.html>
http://www.sonyfh.co.jp/index_en.html (Sony Financial Holdings Inc.)

Letter to Shareholders: A Message from Howard Stringer, CEO



Dear Shareholders,

A review of the fiscal year ended March 31, 2011 (fiscal year 2010) must first mention the Great East Japan Earthquake, which occurred near the end of the fiscal year.

On March 11, at 2:46 p.m. local time, East Japan was struck by a 9.0-magnitude earthquake, immediately followed by a giant tsunami, which had, in addition to the tragic loss of life and property, a profound psychological and financial impact on the people of Japan. No one who works for Sony suffered major injuries or lost their lives in this disaster. However, some of our colleagues, their family members and friends sadly did suffer grievous losses. I am sure that there are shareholders who were directly affected by the quake, and I would like to begin by expressing my profound condolences to all who were affected by this disaster. You are in my prayers.

While the scars of the disaster were still fresh, I visited Sony's Sendai Technology Center, the first floor of which had been heavily damaged when the tsunami swept through. In the tense hours after the quake, our resourceful Sony colleagues ensured the safety of the many people who had fled and taken refuge in the facility. They made boats out of containers found in their building to rescue local residents carried aloft by the tsunami. They also ferried food and other supplies to employees and neighbors in evacuation spots.



These were just a few of the many, many acts of bravery, generosity and ingenuity that so deeply impressed me. These acts, along with the patience and perseverance shown by those affected, have come to characterize the spirit of *fukutsu no seishin* ("never give up") that has helped to guide Japan through this challenge. I am extremely proud of the courageous way Sony employees in Japan have coped with the tremendous difficulties they have faced.

Sony Group companies and employees both in Japan and overseas generously responded to those in need. More than 70,000 Sony employees from around the world contributed hundreds of millions of yen from their own pockets, which we doubled through our matching program. Millions of dollars were generated through a charity album, *Songs for Japan*, produced by Sony Music Entertainment with other music majors. Between these and many other charitable activities, including corporate donations of cash and countless Sony products as well as sending volunteer employees to the affected regions, the Sony Group has contributed to the rebuilding of East Japan, and these activities will continue.

I have no doubt that Japan will be an even more vibrant country after the rebuilding of East Japan, and the same is true for Sony. Today, we are inspired to move forward with an even-stronger sense of unity and purpose.

On April 23, 2011, we at Sony were saddened by another loss. Norio Ohga, Senior Advisor and former President and Chairman of Sony Corporation, passed away.

A peerless leader, Mr. Ohga pushed forward with and succeeded in achieving the integration of art and technology, and of hardware and entertainment—the vision of Sony founders Masaru Ibuka and Akio Morita. It is no exaggeration to attribute Sony's evolution beyond audio and video products into music, movies and games, as well as its subsequent transformation into a global entertainment leader, to Mr. Ohga's foresight and leadership. Another of Mr. Ohga's achievements was Sony's commercialization of the world's first CD player in 1982, after he led the development of the optical disc format we know today as the CD. A trained vocalist before joining Sony, Mr. Ohga also remained committed to music, serving as Director of Sony Music Foundation, and was tireless in his efforts to promote greater familiarity with music worldwide.



We will continue to value the spirit of innovation—Sony's DNA—that we have inherited from our founders, as well as from Mr. Ohga, as we press ahead with our efforts to achieve growth over the medium term and beyond.

Operating Results in Fiscal Year 2010

Fiscal year 2010 was a watershed year, during which we realized substantial benefits from the decisive transformation process initiated in fiscal year 2008, undertaken with the aim of improving our operations and creating a foundation for future growth.

Notwithstanding the adverse influence of foreign exchange rates and the earthquake, our operating results in fiscal year 2010 were, on the whole, very encouraging. Consolidated sales and operating revenue remained at the same level as the previous year, reflecting the sharp appreciation of the yen during the period, but increased 6% year-on-year on a local currency basis.

Consolidated operating income reached 199.8 billion yen for the fiscal year, more than 6 times that of the previous year, despite the negative impact of foreign exchange rates. In contrast to the previous fiscal year, when robust results in the financial services and entertainment businesses drove our recovery from the recent global recession, the noteworthy factors behind the increase in consolidated operating income in fiscal year 2010 were the improved results in the electronics and game businesses, while we also enjoyed continued profit contribution from the financial services and entertainment businesses.*1

We recorded a loss attributable to Sony Corporation's stockholders, due principally to recording approximately 360 billion yen in valuation allowances against deferred tax assets at Sony Corporation—on an

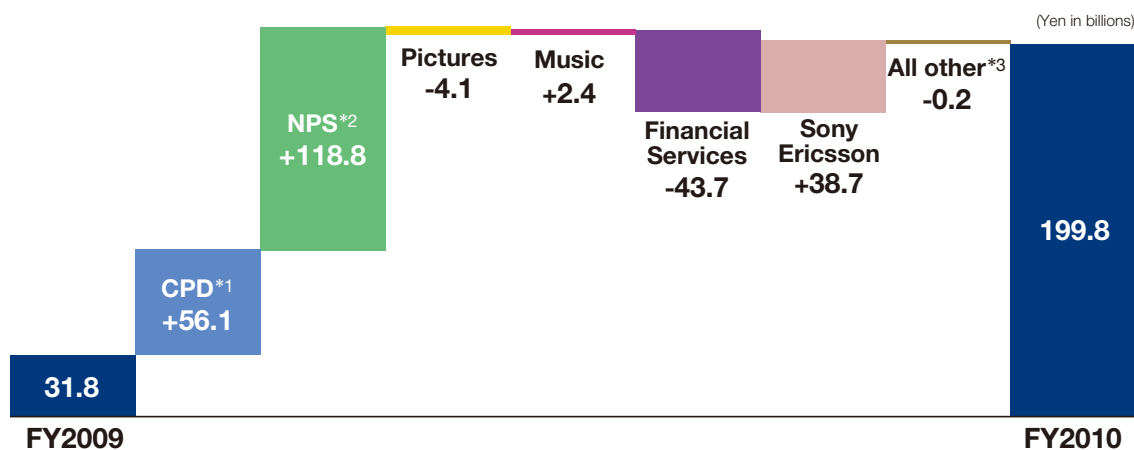
unconsolidated stand-alone basis—and its national tax filing group of subsidiaries in Japan. However, this valuation allowance was a non-cash charge and had no impact on consolidated operating income or cash flow.

We continued to implement transformation initiatives to reform our operational structure with a priority on profitability and speed. These transformation initiatives included continuing headcount reduction programs, advancing the rationalization of manufacturing operations, shifting and aggregating manufacturing to lower-cost countries, and, especially in our LCD television business, utilizing the services of third party original equipment manufacturing (OEMs) and original design manufacturing (ODMs). Our fiscal year 2010 operating performance confirms that Sony's transformation initiatives have contributed positively to our operating performance. Furthermore, we will now be in a position to apply the cash flow generated by our improved cost base to the following focus areas, to spur future growth.

Sony's focus areas can be distilled into four key themes, "Networked Products and Services," "3D World," "Competitive advantages through differentiated technologies" and "Emerging markets," and they will drive our growth going forward. We look forward to reaching milestones in all four in fiscal year 2011 and beyond.

*1 The electronics and game businesses are included in the Consumer, Professional & Devices (CPD) segment and the Networked Products & Services (NPS) segment.

Operating Income by Segment (FY2009 vs. FY2010)



[For details about each business segment, see page 36 and after.]

*1 CPD is the Consumer, Professional & Devices segment.

*2 NPS is the Networked Products & Services segment.

*3 All other includes the All Other segment and Corporate and Elimination.

Focus Areas for Growth

Networked Products and Services

Networked products and services is the first area I'd like to touch upon.

One of our goals is to deliver, through our wide range of appealing products, the most compelling and exciting content and entertainment experiences to our customers around the world. The integration of hardware, content and services through the network is essential to making this happen.

One initiative to achieve this integration on the networked products front is the Sony Tablet^{*2}. Based on Android^{TM*3} 3.0 and featuring innovative new designs, Sony Tablet will target the rapidly growing market for mobile devices. We announced two models of the Sony Tablet in April 2011, and we plan to launch them in the global market starting in fall 2011.

As for networked services, in fiscal year 2010 we launched two services under the Qriocity^{TM*4} brand name. The two new services are "Video On Demand service powered by Qriocity^{TM**5}" and "Music Unlimited powered by Qriocity^{TM,**6}" and they are available in nine countries and across Sony's many network-enabled products including certain BRAVIATM LCD televisions, Blu-ray DiscTM (BD) players and home theater systems, as well as PlayStation^{®3} (PS3[®]), PSP[®] (PlayStation[®]Portable) and VAIO[®] PCs. Additionally, in countries where Music Unlimited powered by Qriocity is available, the service is now available on XperiaTM smartphones from Sony Ericsson, as well as Android-based third party devices.

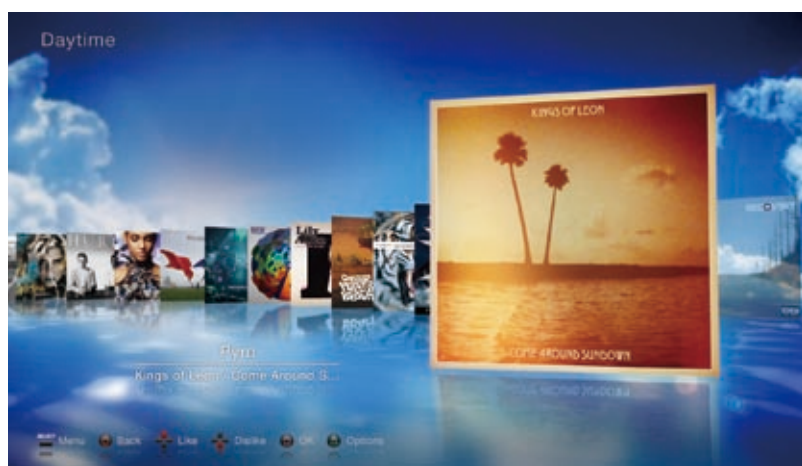
^{*2} "Sony Tablet" is a trademark of Sony Corporation.

^{*3} "Android" is a trademark of Google Inc.

^{*4} Qriocity is an online entertainment network service platform which connects many of our network-enabled devices and allows consumers to enjoy high-quality entertainment experiences across multiple devices.

^{*5} A premium streaming video service that allows users to choose from the latest Hollywood movies and popular movies and animation titles.

^{*6} A new cloud-based digital music service, through which songs are offered from all of the major music labels as well as from leading independent labels and major publishers worldwide.





However, in April 2011 Sony faced a serious challenge in the form of a cyber attack launched against the PlayStation®Network, Qriocity and the network systems of Sony Online Entertainment LLC, which forced us to temporarily shut down all of these services. We regret any concern and inconvenience that the incidents may have caused our shareholders, customers and stakeholders. Sophisticated criminal intrusions into network systems like the ones we experienced pose a threat not only to our customers, but also to the entire business world. We have engaged some of the most respected names in cyber security, and together we have worked around the clock to strengthen our information security systems and restore our services, placing our highest priority on ensuring the security of our customers' personal information as well as regaining their trust. As of today (July 6, 2011), PlayStation®Network services and Qriocity services in all serviced territories have been restored.

Having learned from this experience, we continue to act quickly to further reinforce our security, while looking ahead, we will continue to integrate our networked hardware, content and services to deliver new and rich user experiences.

■ PlayStation® Vita (PS Vita)

Sony Computer Entertainment's next-generation portable entertainment system, PS Vita, delivers the ultimate portable entertainment experience, designed to offer unparalleled interactive entertainment possible only through the PlayStation® platform. This system provides rich, realistic gaming and social connectivity. Deep and immersive gaming is at the core of the PlayStation® DNA, and PS Vita is the latest embodiment of this vision. By offering both Wi-Fi and 3G network connectivity, together with various applications, PS Vita will enable infinite possibilities for users to "encounter," "connect," "discover," "share" and "play" with other users, wherever they are. PS Vita will be successively launched in the global market starting the end of 2011.



Uncharted (Working Title)
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Design and specifications are subject to change without notice. Screen image simulated.

■ Sony Tablet

Sony has announced two models of the Sony Tablet, which delivers an optimum combination of hardware, content and network services with seamless usability for a high-quality, engaging entertainment experience. S1 (codename) is optimized for rich media entertainment, and S2 (codename) is for mobile communications and entertainment. S1 has a 9.4-inch display that enables users to enjoy Web browsing and a broad range of services and content on a large screen. S2 has two 5.5-inch displays and can be folded for easy portability. Its dual screen presentation and usability allows its displays to be combined and used as a large screen, or used separately for different functions, a feature not found in other tablets. Sony Tablet will become available in the global market starting in fall 2011.



3D World

One of the focus areas of Sony's growth going forward will be to lead expansion of the 3D World. To expand our 3D businesses, we will continue to broaden the availability of both 3D-compatible hardware and high-quality 3D content.

The 2010 FIFA World Cup South Africa™ is fresh in everyone's memory. Sony, as an Official FIFA Partner, facilitated 3D live broadcasts of soccer matches that dazzled the world. Powerful and lively 3D images, produced by utilizing Sony's professional 3D broadcast equipment and 3D content production know-how, were broadcast live to homes around the world for the first time.



3D has proven to be a driver for the theatrical motion pictures business. Sony, uniquely, both creates and distributes movies in theaters, and also makes and sells the equipment used to capture, project and display them. In order to make 3D movies more widely available in theaters, we are continuing to bring digital cinema systems to theaters around the world. We have also introduced the spellbinding 3D experience that people associate with movie theaters in the home by enhancing 3D BD for 3D BD players/recorders and PS3, by popularizing 3D content distribution via network platforms such as Qriocity and PlayStation®Network, and by launching, with partners, round-the-clock 3D broadcasting in the United States, thereby expanding opportunities for people to enjoy 3D at home.

In addition to creating a broad range of 3D content, including movies, TV programs, music videos and games, we are making 3D personal by expanding our lineup of compact digital cameras, video



cameras and other hardware that facilitate the production of user-generated content. These efforts are helping us make 3D a part of everyday life for our customers, underscoring our ongoing leadership in the 3D World.

■ 3D Broadcasting

3net is a joint venture television network from Sony Corporation, Discovery Communications and IMAX Corporation, delivering compelling, native 3D content to the emerging 3D marketplace, thus serving as a critical driver for consumer adoption of in-home 3D entertainment. The 24/7 3D television network, which commenced broadcasting in the United States on February 13, 2011, plans to offer viewers the world's largest library of native 3D entertainment content by the end of 2011.



■ Electronics Products that Expand the Field of 3D Content

3D content is becoming more personal and more realistic, thanks to Sony's 3D video cameras. The Handycam® HDR-TD10, introduced in May 2011, is a dual-lens Full HD 3D video camera for consumers, bringing together Sony's key industry-leading technologies in two lenses, two sensors and two image processors. The PMW-TD300 is a professional-use 3D shoulder video camera with a dual lens system that facilitates a shooting style with considerable freedom of movement, making it suitable for shooting high-definition 3D footage for documentaries, news, interviews and events, among others.



Professional-use shoulder-mounted 3D video camera



Digital Full HD 3D video camera

■ Stereoscopic 3D Games

The market for stereoscopic 3D game content has been expanding since June 2010, when Sony began selling stereoscopic 3D games worldwide through the PlayStation®Store. As an example, sales of *GRAN TURISMO® 5*, exclusively for PS3, reached 5.5 million copies in the 12 days immediately following its launch in November 2010, greatly contributing to the expansion of both the PS3 platform and stereoscopic 3D games.

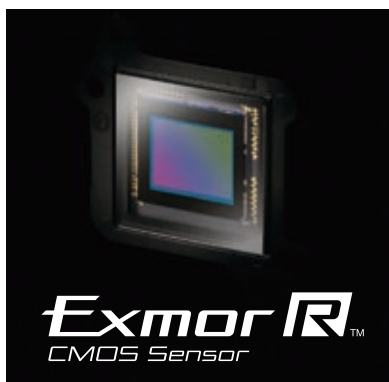
Stereoscopic 3D software titles such as *Killzone 3* and *Me & My Pet* have received rave reviews from gamers, and can be enjoyed through the PlayStation®Move motion controller. Used in combination with PlayStation®Eye (a USB camera for PS3), the PlayStation®Move motion controller offers a brand-new way to enjoy PS3, and was launched in September 2010.

Numerous highly anticipated stereoscopic 3D software titles scheduled for launch in fiscal year 2011 will further contribute to the growth of the 3D content market.

Competitive Advantages through Differentiated Technologies

We will also strengthen and advance our differentiated technologies and core devices—sources of our competitive advantages in electronics—as another focus area of growth going forward.

The HDR-XR520V and HDR-XR500V Handycam® camcorders introduced in 2009 succeeded in setting Sony further apart from other video camera brands. These models were the world's first consumer models mounted with the “Exmor R™” back-illuminated complementary metal oxide semiconductor (CMOS) image sensor,*7 which achieves increased sensitivity and reduced picture noise. Subsequent Handycam® video cameras and Cyber-shot™ compact digital cameras also used this image sensor. Sony's digital imaging business contributes



substantially to Sony's results and its products, including the NEX-5 and NEX-3 interchangeable lens digital cameras, earned considerable acclaim—including the Nihon Keizai Shimbun Awards top prize in the Nikkei Superior Products and Services Awards for the past two consecutive years.

We also supply image sensors to other digital camera and cell phone manufacturers around the world. Our quick responses to feedback from these companies allow us to maintain a high level of competitiveness, and help to ensure that we keep our top market share in image sensors. Looking ahead, we are responding to the rapid growth in the market for smartphones by investing decisively in CMOS image sensors to expand our production capacity and revolutionize our technologies, with the aim of further bolstering profits.

Sony is also accelerating the growth and differentiation of our professional-use camera business by developing content creation products and security cameras that integrate our latest proprietary technologies into our image sensor and component businesses.

In addition, Sony's digital cinema projectors, which I mentioned earlier, display 3D images in high quality through the use of SXRD™ (Silicon X-tal Reflective Display), Sony's proprietary high-resolution and high-speed response display technology.

We also intend to leverage these and other technologies to foster new businesses within the growing energy and medical fields.

*7 For information on the "Exmor R" CMOS image sensor, see this year's special feature, which begins on page 20.

■ Professional-Use Master Monitor with Sony's Proprietary OLED Panel

In fiscal year 2011, Sony will launch the BVM series of professional-use OLED master monitors, combining its TRIMASTER technology—which ensures accurate color reproduction, precise images and outstanding reliability—with its proprietary OLED panels. Delivering the deep, pure blacks and superb contrast only possible with a self-lit OLED, as well as a quick response time and minimal motion blur, the BVM series sets a new standard for master monitors, for which top picture quality is paramount. These monitors were exhibited to considerable acclaim at the 2011 NAB Show, one of the world's largest digital media industry events for video, audio, film and communications professionals.



25-inch professional-use OLED master monitor

■ Energy Storage: A New Pillar of Sony's Rechargeable Lithium-Ion Battery Business

Sony was the first company to succeed in mass producing lithium-ion batteries. Building on decades of accumulated know-how, in April 2011 Sony commenced mass production and shipment of an exclusive energy storage module comprising rechargeable lithium-ion batteries made with olivine-type lithium-ion iron phosphate as the cathode material. Key features of the module include long-life performance (with projected longevity of 10 years or more), enhanced safety, high recharging speed and high expandability. Sony plans to supply these modules to corporations and other organizations as a backup power source or for load-leveling during peak electricity periods.



Energy storage module using rechargeable lithium-ion batteries made with olivine-type lithium-ion iron phosphate.

■ Sony Expands Its Digital Cinema Business from Selling Vertically Integrated Products to Providing Solutions Services

Sony—which is in the unique position of being able to capitalize on upstream expertise gained from one of its worldwide entertainment operations, Sony Pictures Entertainment (SPE), and to propose new ideas—has signed agreements to digitize major theater chains in a number of countries, including Regal Entertainment Group and AMC Entertainment Inc., two of North America's largest theater chains.

Sony's Digital Cinema Projection System comprises a projector that can project ultra-high-resolution 4K video (8.85 million pixels, more than four times that of full HD) and a cinema server that can store and transfer video content to the projector. In March 2011, it was accredited by the industry standards body as the world's first "Integrated Projection System." This uniquely enables Sony to expand its total solutions business, of which the core is the "Integrated Projection System," to theaters worldwide.

Emerging Markets

Lastly, we have the promising emerging markets.

Global gross domestic product (GDP) is expected to grow by 3.5% annually through calendar year 2013, and GDP in emerging markets is expected to substantially outpace the global average. For example, it is said that the BRIC markets—Brazil, Russia, India and China—will account for more than 20% of global GDP in three years. Consumer electronics sales in the emerging markets are expected to grow sharply—18% annual growth is forecast for the BRIC markets—and Sony views the emerging markets as vital to our growth strategy. We grew our sales (local currency basis) in the BRIC markets by approximately 40% in fiscal year 2010 compared to the previous year, and we expect our sales growth in the emerging markets to continue to greatly exceed that of the market.

There are considerable regional differences within the emerging markets, and therefore to capture market growth, we must ensure our operations are rooted firmly in each local community. Looking ahead, we will grow by capitalizing on our accrued brand strength, and on our extensive and carefully tailored local sales networks, as well as by taking advantage of our unique position as a company with operations that also encompass the B2B and entertainment fields.

In March 2011, I visited India's entertainment capital, Mumbai, to take part in a ceremony to inaugurate the Sony Media Technology Centre.*⁸ There I had the opportunity to speak with people involved in the production of movies, television and other content both from inside and outside Sony, and I could feel just how vital the entertainment industry is in India. I also experienced firsthand the energy of this fast-growing nation, and was particularly pleased to see bold "Sony BRAVIA" billboards along roads abuzz with speeding cars and auto rickshaws.

*⁸ For more information on the Sony Media Technology Centre, see this year's special feature on page 32.



■ Brazil

Brazil will host the 2014 FIFA World Cup Brazil™—for which Sony is one of the Official FIFA Partners—as well as the 2016 Summer Olympics (Games of the XXXI Olympiad). Middle-income consumers account for approximately half of the population and are the driving force behind Brazil's economic growth. Sony's extensive selection of appealing electronics products, produced at its site in Manaus and third party manufacturing providers, drove Sony to achieve a sharp sales increase in Brazil, outpacing market growth in fiscal year 2010. Sony is the overwhelming market leader in compact digital cameras, with a market share of approximately 50%, and has recently doubled its LCD television market share, becoming one of the top three LCD television brands in Brazil. Sony is in the leading position of each entertainment business—music, pictures, TV programs and game—and brings about a greater synergy with the electronics business by utilizing its strong brand. Sony is realizing profitable growth by expanding its network of directly managed Sony Stores, as well as its e-commerce, and by responding flexibly to the regrouping and realignment of major retailers.

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OFFICIAL PARTNER

■ Russia

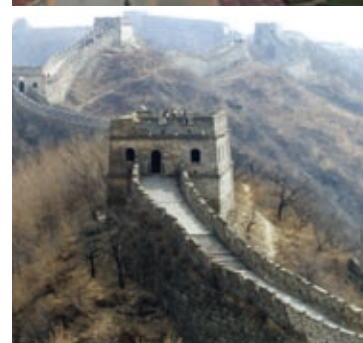
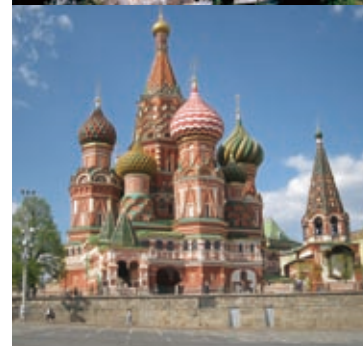
Blessed with abundant natural resources, Russia has seen its economy expand steadily since the global economic crisis of 2008. In this environment, in fiscal year 2010 Sony achieved record-high sales in the Russian market, emerging for the first time as the frontrunner in the markets for compact digital cameras and portable audio players, among others. VAIO®, PlayStation® and other Sony sub-brands are strong, as is the Sony brand itself. Sony expects network-enabled products to emerge as a new high-growth business in the Russian market.

■ India

India has a population in excess of one billion, and continues to see rapid economic growth. Sony is expanding its national sales network in India, which comprises offices and shops tailored to the local market. Bolstered by successful television advertisements and in-store promotional efforts, in fiscal year 2010 Sony garnered the top spot in the local markets for a variety of products, including LCD televisions and compact digital cameras. SPE initially entered the entertainment business in India in 1995 with the launch of the Sony Entertainment Television channel joint venture, and now has a portfolio of television brands offering a variety of programming, including general entertainment, comedy and movies, thus helping to strengthen Sony's brand in the country.

■ China

China, the world's second-largest economy, has seen the focus of economic growth expand from coastal areas into inland regions, underscoring expectations of further market growth in the years ahead. Sony has established a nationwide sales network that centers on Sony-branded stores, as well as a solid operational framework that strives to maximize sales channels, and continues to see increased profitability and revenue growth. Sony's focus in China is not limited to consumer products, but also broadcast- and professional-use equipment, earning it a solid reputation as a top brand in HD and 3D from the lens to the living room.



In Closing

Sony is constantly evolving to meet the demands and opportunities of the fast-changing global business environment by creating innovative hardware, content and services.

We realigned our electronics, game and networked service operations into two key business groups. Following the realignment, which became effective April 1, 2011, all of Sony's consumer electronics and networked services reside in one group, the Consumer Products & Services Group, while the growing B2B, semiconductor and component businesses form the second group, the Professional, Device & Solutions Group.

Executive Deputy President Kazuo Hirai is responsible for the Consumer Products & Services Group. He successfully led the turnaround of the game business, expanded the PlayStation®Network and directed the launch of the Qriocity networked services platform. In his expanded role, he will continue to press for speed and efficiency while extending his focus to develop a new generation of compelling products, through which Sony will deliver seamless, exciting entertainment experiences to consumers, both at home and on the go, in order to be a company that inspires and fulfills people's curiosity.

The Professional, Device & Solutions Group is led by Executive Deputy President Hiroshi Yoshioka, who will utilize his engineering expertise alongside his management experience to further leverage Sony's competitive advantages in cutting-edge technologies and core devices to identify and pursue new business opportunities, including those in the energy and medical fields.

In finally, Doug Morris, one of the most respected and influential executives in the global music industry, will join the Sony family as the CEO of Sony Music Entertainment, effective July 1.

■ Sony Opens New Direct Store

A new direct store, "Sony Store," was opened in Los Angeles in April 2011, as a unique destination at which customers can explore the complete Sony experience created by its electronic products, entertainment content and services.





Top: **Howard Stringer** Chairman, CEO and President
Lower left: **Kazuo Hirai** Executive Deputy President Lower right: **Hiroshi Yoshioka** Executive Deputy President

As you read this, millions of people around the world are experiencing Sony's innovative and differentiated technologies on their Sony BRAVIA LCD televisions, digital cameras, VAIO® PCs, PS3, BD players, WALKMAN® digital music players, Reader™ digital books and Sony Ericsson smartphones, and using these and other Sony products to connect to their content, and to one another. They are using our hardware to play Sony-made games like *GRAN TURISMO*® 5, *Motorstorm 2* or *LittleBigPlanet*™2, listen to Sony artists like Michael Jackson, Shakira and Adele, and to watch Sony-made films like *Men in Black* or *The Social Network*.

Only Sony makes everything you need to bring movies, music, games, photos and books to our eyes, ears, fingertips, hearts and minds. That's why the shortest distance between content and consumers is Sony. And that's why I believe that Sony will be in everyone's future, because Sony is where entertainment meets technology.

As strongly as I believe that Japan, through the spirit of *fukutsu no seishin*, will overcome the terrible disaster it has suffered, I also believe that Sony, through its spirit of innovation, will realize ever-greater advances in technology and entertainment. Under the spirit of "make.believe,"*⁹ I have faith in the people of Sony and in their commitment to work tirelessly to realize our dreams, because I know that anything we can imagine, we can make real. To me, our dedication and innovation are the true sources of Sony's corporate value.

On behalf of the management team and all of the employees of Sony, I thank you for your ongoing support.

July 6, 2011

A handwritten signature in black ink, reading "Howard Stringer". The signature is fluid and cursive, with the first name "Howard" and last name "Stringer" clearly distinguishable.

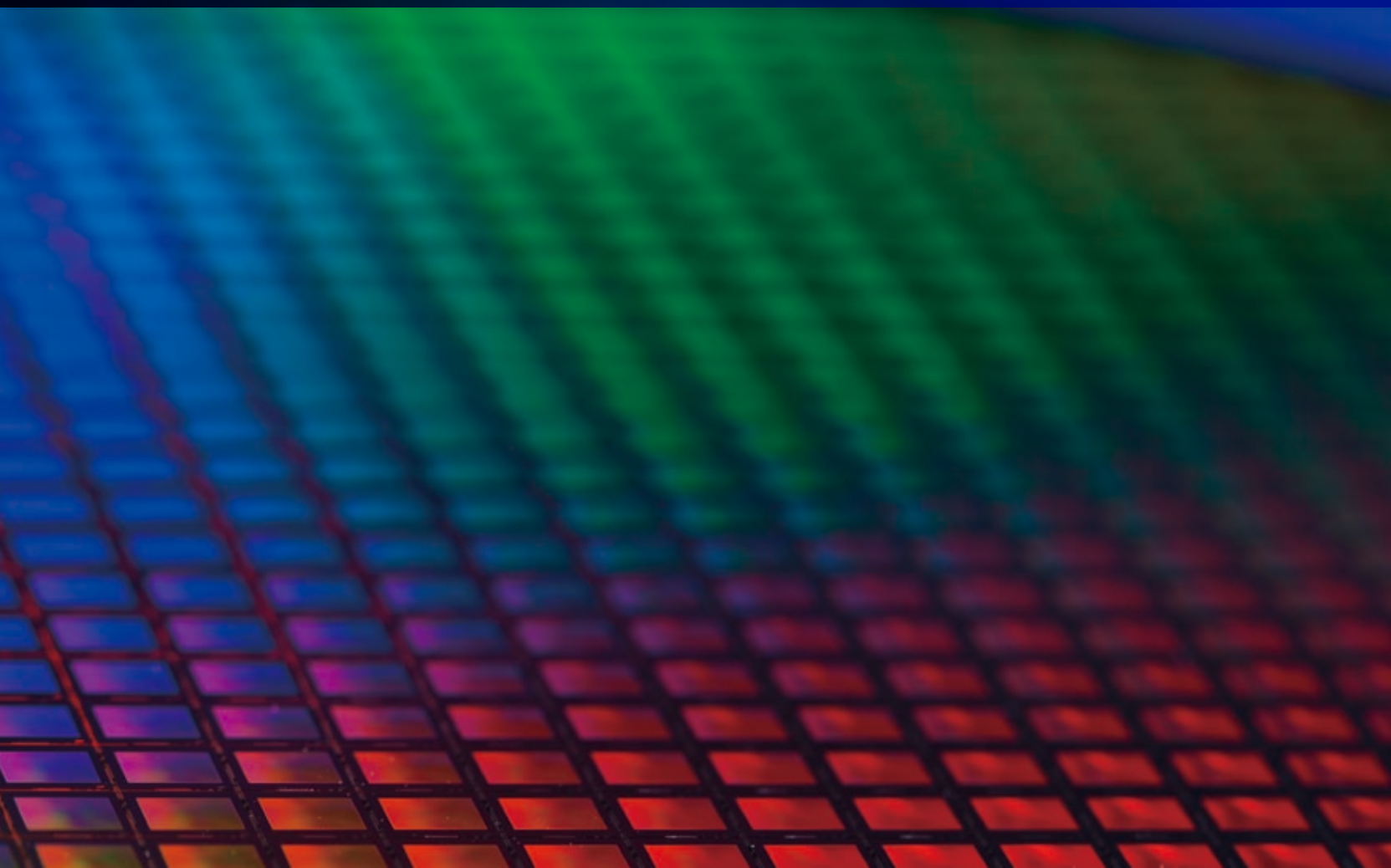
Howard Stringer
Chairman, CEO and President
Representative Corporate Executive Officer

*⁹ For information on "make.believe" ("make-dot-believe"), see the inside back cover.

Special Feature:

Exmor R™

“Exmor R™” back-illuminated CMOS image sensor enables cameras to capture clear images even in scenes lit only by candle



Compared with conventional front-illuminated complementary metal oxide semiconductor (CMOS) image sensor architecture, the “Exmor R” back-illuminated CMOS image sensor achieves approximately twice the sensitivity and features low noise*1. After its successful development in 2008, the “Exmor R” was first deployed by Sony in 2009 in the Handycam® and has since been used in such products as compact digital cameras and mobile phones. The “Exmor R” has won high praise from users for realizing high performance in very low-light scenarios. For example, without

using a flash, cameras equipped with the “Exmor R” can capture clear, vibrant photos even when the only light available is candlelight. In recognition of its role in enhancing the performance of compact digital cameras and opening up a new realm of possibilities, the “Exmor R” received a rare honor for an image sensor—the Editors Award at the Camera Grand Prix 2010—in Japan. The development and mass production of the “Exmor R” gained further recognition when Sony Corporation and Sony Semiconductor Kyushu Corporation received the 57th Okochi Memorial

*1 Comparison between Sony's conventional (front-illuminated) CMOS image sensor and the new back-illuminated CMOS image sensor with the same pixel size (1.75μm).

*2 On September 1, 2010, Sony announced an investment of 40 billion yen in Sony Semiconductor Kyushu Corporation's Kumamoto Technology Center, and on December 27, 2010, Sony announced an investment of 100 billion yen in the Sony Semiconductor Kyushu Corporation's Nagasaki Technology Center.



In February 2009, Sony introduced the HDR-XR520V and the HDR-XR500V, the first HD video cameras in the world equipped with a back-illuminated CMOS image sensor.



In September 2009, Sony launched sales of the Cyber-shot™ DSC-TX1, the first compact digital camera equipped with a back-illuminated CMOS image sensor. The Cyber-shot DSC-TX1 subsequently won a Gold Award at the 2010 iF product design awards in Germany.



Production Prize from the Okochi Memorial Foundation.

The “Exmor R” has also garnered acclaim from a diverse array of manufacturers and is being considered for deployment in a large number of products. Consequently, Sony is aggressively working to expand its overall CMOS image sensor business, including the “Exmor R,” and has announced a 140 billion yen capital investment program for fiscal years 2010 and 2011 to meet market demand for its image sensor products*2.



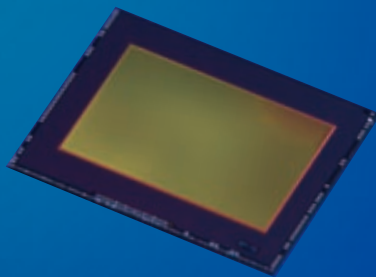
The Cyber-shot™ phone S006 is equipped with an “Exmor R” back-illuminated CMOS image sensor. The world’s first mobile phone with a 16.20-effective megapixel camera*, the Cyber-shot™ S006 is capable of shooting high-quality still images even in low-light settings

*Sony Ericsson data (October 2010).

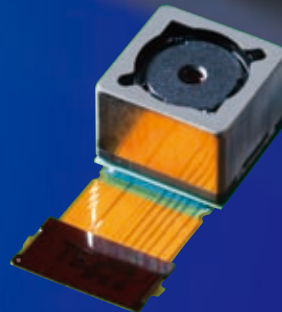
By directing light onto the silicon substrate from behind, the increased efficiency in light use makes high-quality images possible even in low-light settings

With the “Exmor R” back-illuminated CMOS image sensor, light is directed onto the silicon substrate from behind, allowing light to be used with a level of efficiency not possible with conventional front-illuminated pixel structures. Photographers can now create smooth, high-quality images in low-light settings. For example, the Cyber-shot digital cameras incorporating the “Exmor R” also utilize Sony’s BIONZ image processing engine. By combining these two technologies, the camera fully comes into its own in such low-light scenarios as

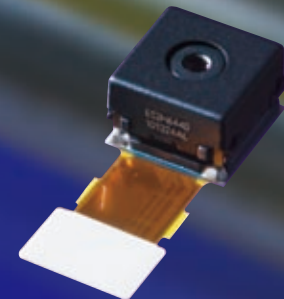
night panoramas and indoor shots—which were previously difficult to shoot well on a compact digital camera. This architecture means photographers need not use a flash but can still achieve low noise, vibrant, clear images. By deploying the “Exmor R,” it is possible to use multiple metal wiring layers and arrange the transistors with greater freedom. These advantages are expected to result in a variety of advances, including further improvements in speed and dynamic range.



16.41 effective megapixels back-illuminated CMOS image sensor for mobile phones



16.41 effective megapixels lens module for mobile phones



8.13 effective megapixels lens module for mobile phones

Sony aims to be the world’s leading company in both CCD and CMOS image sensor technology

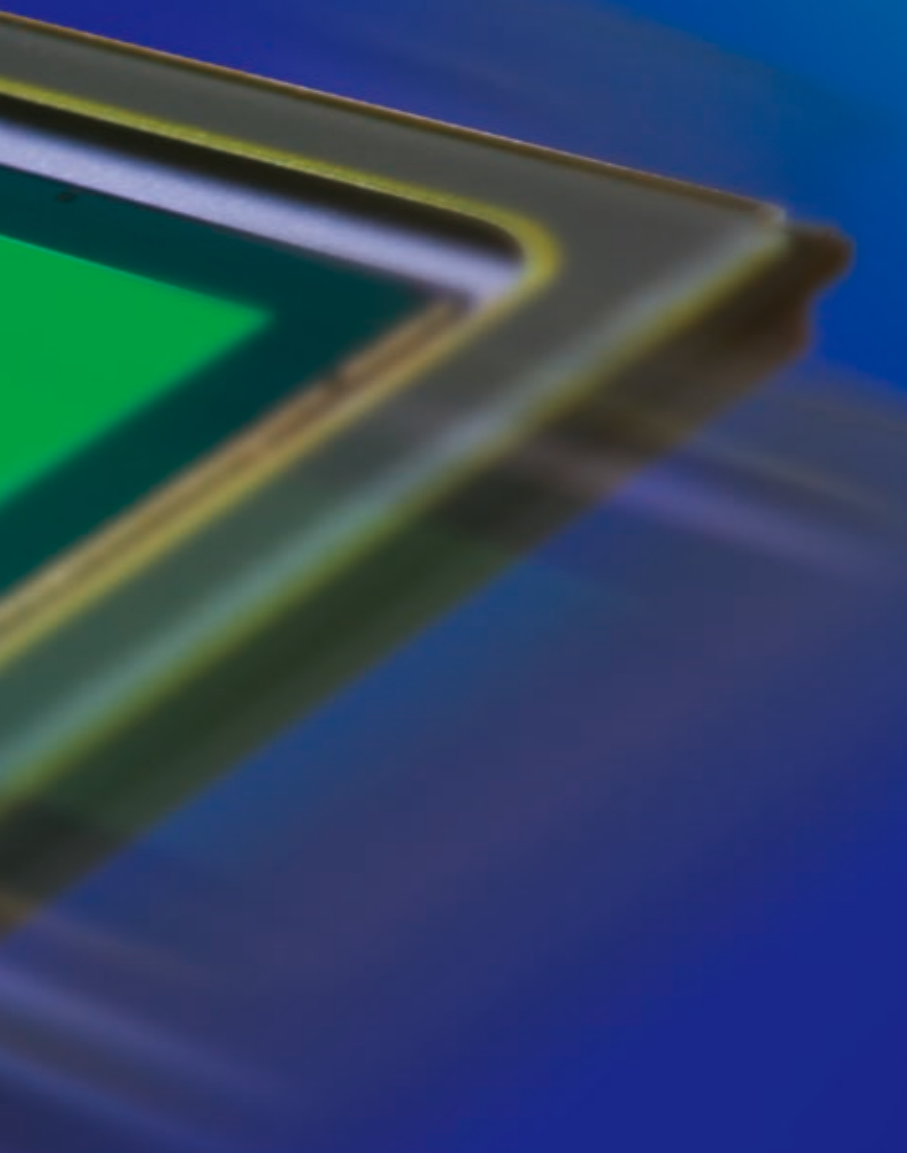
Image sensors are imaging elements that may be thought of as the “eyes” of digital video and digital cameras. In 1978, Sony announced that it had developed a 110,000-pixel charge-coupled device (CCD) image sensors. Since then, Sony has continued to develop its own image sensor technology, and in recent years, in addition to the high-resolution pixel technology it has cultivated in the CCD field, Sony has pursued the development of high-resolution and high-speed CMOS

image sensor technology. This has included the “Exmor,” which utilizes proprietary on-chip column A/D conversion and dual noise reduction. Furthermore, by developing the back-illuminated CMOS image sensor—an architecture long considered technically difficult to achieve—Sony has realized further enhancements in sensitivity as well as noise reduction.

Sony has for many years maintained the leading market share for CCD image sensors. From fiscal year 2009 (the

* TECHNO SYSTEM RESEARCH, November 2011.

16.38 effective megapixels back-illuminated CMOS image sensor
for compact digital cameras



year ended March 31, 2010), Sony has also achieved the top market share for CMOS image sensors, based on sales value.* Sony intends to continue aggressively expanding its “Exmor R” back-illuminated CMOS image sensor business and thereby contribute to the realization of further advances in resolution in consumer-use digital video cameras and digital still cameras.

■ Interview with Teruo Hirayama, Senior General Manager, Semiconductor Technology Development Division, Semiconductor Business Group

Until quite recently, although CMOS image sensors enjoyed the advantage of comparatively low power consumption, their structural weak point was a high level of noise, making them unsuitable for use in high-quality digital cameras. For this reason they were almost solely used in such devices as mobile phones. Although we knew that it would be possible to increase image quality by utilizing a back-illuminated structure to capture light more efficiently, the stumbling block we faced was an increase in noise. Consequently, most image sensor specialists believed that it was almost impossible to develop an image sensor based on such a structure.

In 2002, when I transferred from my previous job developing MOS logic and was assigned to the project team for image sensor development—an area outside my direct expertise—this was still the prevailing view among image sensor design engineers. When we began the project to develop an “Exmor R” back-illuminated CMOS image sensor, there were fewer than 10 of us on the project team. While we believed that our success could usher in a major change in the world of imaging technology, we spent a considerable period struggling to overcome the noise issue.

However, through ongoing trial and error, we came up with an idea that we thought might be the solution. Straight away, we asked the opinion of a Sony Handycam® video camera developer, who was startled by the exquisite image quality we showed him. The high quality of the images we shot, even in dimly lit settings, was unprecedented at the time. We received a directive to rapidly commercialize the technology and, as soon as we overcame issues relating to mass production, succeeded in commercializing the world’s first consumer-use products to incorporate “Exmor R” back-illuminated CMOS image sensor technology.

Even during the period in which we struggled to overcome technical difficulties, the “Sony Spirit” kept us determined not to give in but to rise to the challenge, in the end leading to the creation of new technology. Even now, Sony’s “Exmor R” back-illuminated CMOS image sensors have a clear competitive advantage. There is still ample room to improve the image quality and performance of image sensor technology, so we will not be resting on our laurels. We are committed to continuing our development efforts so that we can realize further advances in technology that will bring enjoyment and excitement to our customers.



■ The “Exmor” CMOS image sensor—linchpin of Sony’s interchangeable lens digital cameras

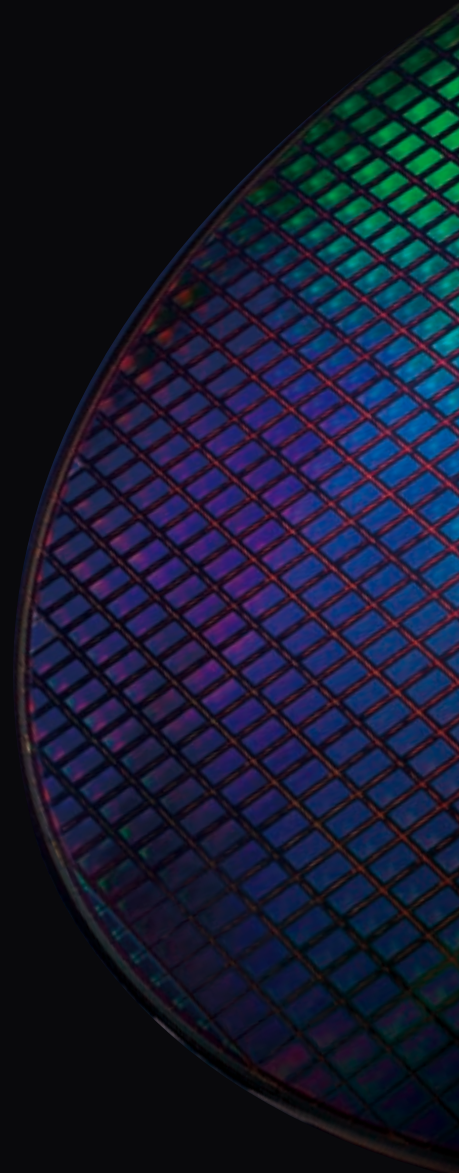
While the “Exmor R” back-illuminated CMOS image sensor, which realizes both high sensitivity and miniaturization, is deployed in compact digital cameras and mobile phones, for interchangeable lens digital cameras a large-format image sensor (an APS-C-sized sensor or full-frame sensor) that provides high picture quality and advanced potential for creativity is absolutely essential. To meet such high demands, Sony developed the “Exmor” CMOS image sensor in-house, which realizes high-resolution images with fine detail and rich tonal gradation.

The “Exmor” utilizes on-chip column A/D conversion and dual noise reduction processing whereby noise reduction is applied both before and after analog/digital conversion. By eliminating noise at the initial stage of light capture and conversion to electrical signals, the “Exmor” realizes outstanding image quality and suppresses noise to the greatest extent possible, even in low-light situations. “Exmor”’s capabilities were first demonstrated when it was deployed in the α 700, a mid-range interchangeable lens DSLR camera launched in 2007. A full-frame “Exmor” image sensor was subsequently used in the α 900, released in 2008. In recent years, Sony has developed the “Exmor” APS HD CMOS image sensor, optimized for Full HD movies in response to increasing demand for Full HD video capabilities in single-lens digital cameras. The “Exmor” image sensor is also featured in the α 55 and α 33—which realize high-speed continuous shooting, thanks to Sony’s groundbreaking Translucent Mirror Technology*—and in the NEX-5 and NEX-3 compact interchangeable lens digital cameras, as well as in the NEX-VG10, the world’s first interchangeable lens HD video camera, launched in 2010, and remains at the cutting edge of image quality. Going forward, the “Exmor” CMOS image sensor will continue to play a key role in driving evolution in the growing interchangeable lens digital camera market.

* Translucent Mirror Technology uses a translucent mirror to continuously direct light passing through the lens to both the CMOS image sensor and the phase detection AF sensor simultaneously. This enables continuous fast, high-precision phase-detection AF shooting and continuous focusing on the shooting target.



Interchangeable lens digital camera “ α 55”





Investment in the image sensor business

On September 1, 2010, Sony announced that it planned to invest approximately 40 billion yen in Sony Semiconductor Kyushu Corporation's Kumamoto Technology Center (Kumamoto TEC) to increase production capacity for "Exmor" and "Exmor R" CMOS image sensors. Execution of this additional investment would be spread between the second half of fiscal year 2010, ended March 31, 2011, and fiscal year 2011, ending March 31, 2012.

Furthermore, on December 27, 2010, Sony announced plans to invest approximately 100 billion yen in Sony Semiconductor Kyushu Corporation's Nagasaki Technology Center (Nagasaki TEC) during fiscal year 2011, ending March 31, 2012, to increase the production capacity for CMOS image sensors. This investment plan includes (i) semiconductor fabrication equipment acquired on April 1, 2011, based on definitive agreements between Sony and Toshiba Corporation announced on

February 28, 2011; (ii) refurbishment of a part of these semiconductor fabrication facilities into new wafer lines capable of manufacturing CMOS image sensors; and (iii) refurbishment of and equipment for part of the production facilities at Nagasaki TEC's Building 3 for wafer processing for the purpose of differentiating Sony's CMOS image sensors using proprietary technologies. Within this investment program, principally in relation to item (iii) above, Sony is utilizing subsidies provided under the Japanese Government's fiscal year 2010 "Project to promote plant construction in industries that create low-carbon-type employment" administered by the Ministry of Economy, Trade and Industry.*

* Through Sony Semiconductor Kyushu's investments of approximately 40 billion yen in Kumamoto TEC and approximately 100 billion yen in Nagasaki TEC as outlined above, Sony plans to increase its total manufacturing capacity for CCD and CMOS image sensors from its current level of approximately 25,000 units per month to approximately 50,000 units per month (calculation for 300mm wafers, as of December 27, 2010) by the end of March 2012.



Sony Semiconductor Kyushu Corporation's Kumamoto Technology Center



Sony Semiconductor Kyushu Corporation's Nagasaki Technology Center



Special Feature:

Sony in India

India—A vibrant mix of different ethnic groups and cultures overflowing with its own unique energy. Sony has built a highly favorable brand image in India, which continues to see remarkable economic growth, and is working to enhance its presence. This special feature looks at Sony in India from a variety of perspectives, including the strength of Sony's electronics business in the country, its local entertainment business initiatives and its growing role as a center for software development.





India's economy continues to grow. Sony's electronics sales are growing faster than the country's electronics market. In fiscal year 2010 (the year ended March 31, 2011), Sony's market share increased in a number of high-growth product categories.

Despite a slight slowdown in growth during the recent global recession, India's electronics market picked up speed again in 2010. Sony's sales in the period grew faster than the market. BRAVIA™ captured the top share of the market for LCD televisions, a high-growth product category, in terms of value, while Cyber-shot™ was number one in the digital camera market in both value and volume sold and VAIO® PCs rose to number three in the PC market in value terms.* The expansion of our shares in such key markets is attributable to our operations in India, which we have worked to strengthen, as well as to our effective channel strategy.

* LCD television market share estimated by GfK Marketing Services Japan Ltd. based on data for January 2010 through February 2011. Digital camera market share estimated by Sony based on data for April 2010 through February 2011. PC market share estimated by International Data Corporation Japan based on data for the first quarter of fiscal year 2010, ended March 31, 2011, to the third quarter of fiscal year 2010.



Building on operational strengths in an assertive bid to attract middle-income consumers

As India is geographically large, it is critical to operate in the most suitable way that fits each city and region. Sony classifies the Indian market into three categories, ranging from small cities to large metropolitan areas. Our 19 sales branches cover a total of 450 cities. To ensure our customers can use Sony products without concern, we have also developed a network of 250 service centers across the country. As transport can be difficult due to the state of many roads and taxes on interstate sales,

we have established 30 warehouses nationwide, ensuring our ability to manage our supply chain effectively. Building on this robust operational structure, we are accelerating efforts to expand our marketing activities beyond our traditional customer base—India's 40 million affluent citizens—in an assertive bid to attract consumers in the country's middle class, which is expected to see further growth in the years ahead.



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■ Cricket in India and Sony

Cricket is by far the most popular sport in India. In advance of the ICC Cricket World Cup 2011, which was staged in India in March 2011, Sony launched a major advertising campaign for BRAVIA LCD televisions featuring India's national team captain, Mahendra Singh Dhoni, as Sony Brand Ambassador. The highly effective multi-media campaign, which coincided with the Cricket World Cup, included approximately 3,000 television spots and more than 150 outdoor billboards, as well as in-store promotional campaigns.

India won the title match of the 2011 tournament, much to the delight of the Indian people. Sony will continue to promote appealing, memorable marketing and advertising efforts in India.



Enhancing Sony's respected brand strength through a carefully tailored channel strategy

As with its operational structure, Sony recognized the importance of having an effective channel strategy that takes into account regional differences. In addition to national chain stores that cover many areas in India, we have regional chain stores in specific areas, and both types of stores continue to see sales growth. In India, there is not a single chain store network of identical stores in every city and town in the country; rather, store configurations differ from region to region. For this reason, we are seeking to

increase the number of contracted subdealers we work with. To enable us to communicate the Sony brand message to consumers directly, we have established a network of approximately 270 Sony Center and other branded shops nationwide. Branded shops sell not only electronics products, but also PlayStation® products and Sony Ericsson mobile phones, among other products. Branded shops thus contribute to an enhanced brand image, as well as to greater recognition of the Sony name.



■ **Masaru Tamagawa, Managing Director, Sony India Pvt. Ltd. (Lower left photo)**

In fiscal year 2010, ended March 31, 2011, with efforts to bolster day-to-day store sales and tighten inventory control, together with effective advertising and promotional activities, we succeeded in increasing our market share in several growing product categories and, as a result, in expanding the scale of our business. As managing director, I place a high priority on frequent communication with staff at all levels—to ensure we all share the same goals and acknowledge the same issues—and on customer research. We visit many residents and we are always eager to better understand people's tastes and discover what has direct relevance to their lives. The hit BRAVIA NX Series of LCD televisions, developed

exclusively for the Indian market, came about in part as a result of efforts such as this. The use of India's national cricket team captain as brand ambassador in advertisements and promotions was also aimed at encouraging a feeling of familiarity with Sony.

Going forward, I believe strongly that the key to expanding our business and growing the Sony brand in India will be to secure talented employees. Fostering human resources and assertively localizing staff will be equally as important as enhancing our operational strengths. With the Indian market expected to continue growing, I look forward to pursuing a variety of initiatives with the aim of increasing Sony's presence.



बड़े
अच्छे
लागतें हैं

ये घरती ये नदिया ये रैना और तुम

30 मई से शुरू
सोम-गुरु
रात 10.30 बजे



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Sony Pictures Entertainment's television operations in India

India has one of the largest and most dynamic television audiences in the world reaching more than 124 million households in the country and generating nearly U.S. \$6 billion in revenue a year. Indian television has boomed since 2004 with yearly double-digit growth in distribution, content and advertising.*

Sony Pictures Entertainment entered the Indian television market in 1995 with the launch of Sony Entertainment Television (SET). The general entertainment Hindi-language channel quickly became a success and has remained one of the top-rated channels for more than 15 years with hit shows like *Who Wants to Be a Millionaire (Kaun Banega Crorepati)* and *Indian Idol*.

The company added to its portfolio of channel brands with the launch of AXN (1998), SET MAX (MAX) (1999), Animax

(2004), SAB (2005) and SET PIX (2006). All of Sony Pictures' channels in India are owned, operated or distributed through a joint venture, Multi Screen Media Private Limited (MSM).

As the official home in India for the Indian Premier League's (IPL) renowned Twenty20 cricket competition, MAX typically rates in the top five of the country's channels. At the start of the IPL's fourth season in April 2011, over 154 million viewers tuned in to MAX.

AXN is a leading English-language general entertainment channel commanding a more than 50% share of this audience across all demographics as compared to its competitors in this category.

* "Indian Entertainment and Media Outlook 2009," PricewaterhouseCoopers, June 29, 2010.

Contributing to the further evolution of India's entertainment industry through the newly established Media Technology Centre

To encourage the proliferation of HD and 3D film production, in March 2011 Sony inaugurated Sony Media Technology Centre in Mumbai, India—which joins similar facilities established in the United States and the United Kingdom—at the Mumbai campus of film school Whistling Woods International. Within the Centre, Sony has installed cutting-edge Sony equipment to create content, such as video cameras and

equipment for editing, for use in training in the areas of digital HD movie production and 3D content creation not only for the school's aspiring filmmakers, but also for industry professionals. By extending advanced technologies and products, as well as its training expertise, Sony hopes to contribute to the further growth and development of India's entertainment industry.



■ Yukio Takeyari, Centre Head, Sony India Software Centre (Lower left photo)

Sony currently has global software development facilities in the United States, Europe and Japan. In emerging countries, we have those facilities in China and India. Among these, Sony India Software Centre (SISC), located in Bangalore—India's Silicon Valley—has expanded notably in recent years. Established in 1997, SISC serves as a development base for software used in a wide range of products manufactured by Sony Group companies around the world and as the Group's global offshore IT centre.

With the role of software taking on ever-greater importance in this digitized age, SISC is rapidly augmenting its team of engineers. In fiscal year 2010, ended March 31, 2011, we had approximately 1,000 engineers on staff. With an eye to further personnel expansion, in January 2010 we moved to a new SEZ (Special Economic Zone) in Vrindavan Tech Village.

In fiscal year 2010, ended March 31, 2011, our work contributed to efforts of the entire Sony Group to advance state-of-the-art 3D technologies, as well as to the development of new products, including Sony Internet TV, Sony Tablet and Android™*-based mobile phones and other devices. As the Group's strategic offshore IT centre, we worked together with Group companies with the aim of reinforcing the Group's operating foundation. Looking ahead, we will step up our efforts to foster human resources and actively seek to expand relations with other software engineers around the world. Having an R&D base in the burgeoning Indian market will most certainly be a major advantage for the Sony Group.

* "Android" is a trademark of Google Inc.

Financial Highlights | Consolidated Results

- Consolidated operating income was significantly higher, 6.3 times the previous fiscal year's amount, despite the large, unfavorable impact of foreign exchange rates.
- The increase in consolidated operating income was driven primarily by improved results in the Networked Products & Services segment, due principally to the contribution of the game business.
- A net loss attributable to Sony Corporation's stockholders was recorded, mainly due to a non-cash charge to establish a valuation allowance against certain deferred tax assets in Japan.

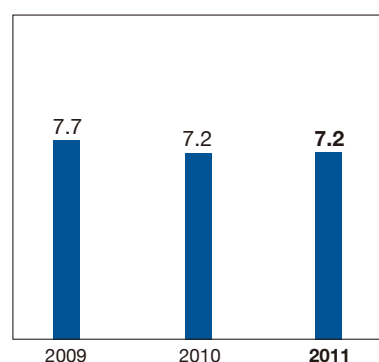
Consolidated Financial Results for the Fiscal Year Ended March 31, 2011 (Fiscal Year 2010)

Sales and operating revenue	¥7,181.3 billion	(-0.5%)
Operating income	¥199.8 billion	(+528.9%)
Income before income taxes	¥205.0 billion	(+661.8%)
Net income (loss) attributable to Sony Corporation's stockholders	(¥259.6 billion)	(—)

Note: Percentage change from the previous fiscal year is shown in parentheses.

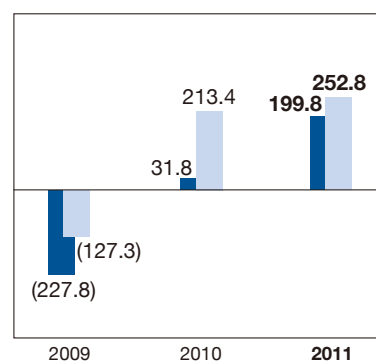
Sales and operating revenue

(Yen in trillions)



Operating income (loss)

(Yen in billions)

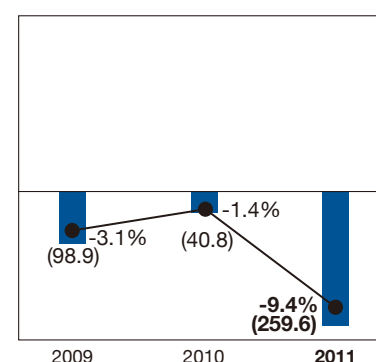


■ Operating income (loss)
■ Operating income (loss), as adjusted, which excludes equity in net income (loss) of affiliated companies and restructuring charges

Note: Fiscal year ended March 31, 2010 operating income, as adjusted, also excludes a non-cash charge related to LCD television asset impairment.

Net income (loss) attributable to Sony Corporation's stockholders

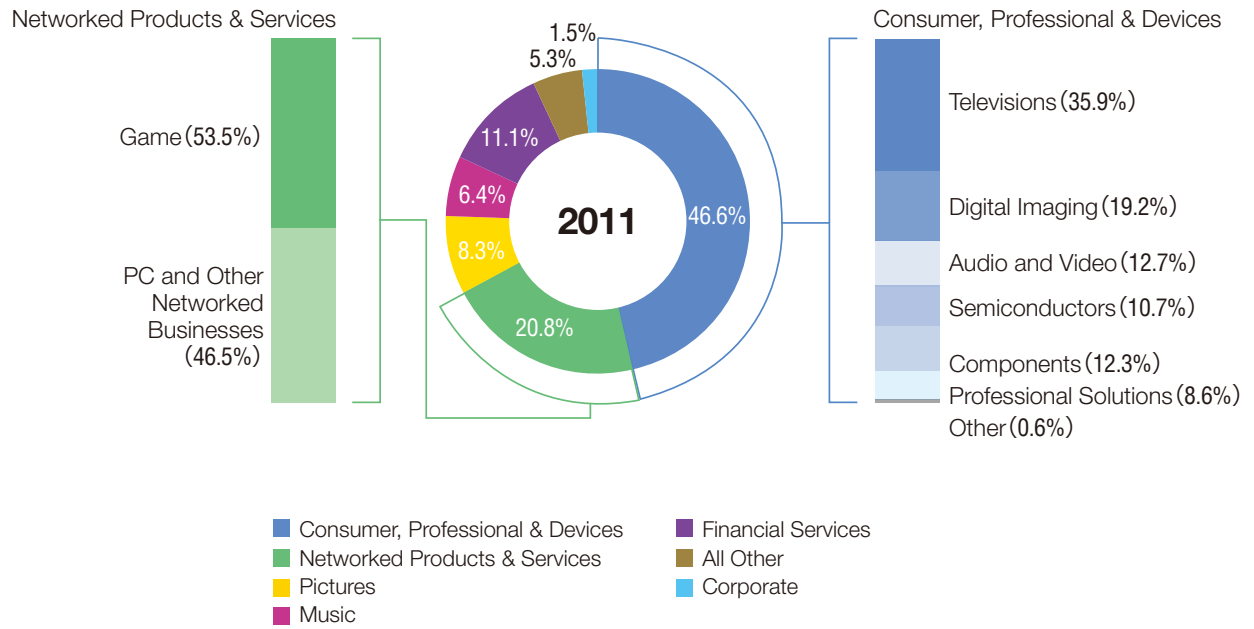
(Yen in billions)



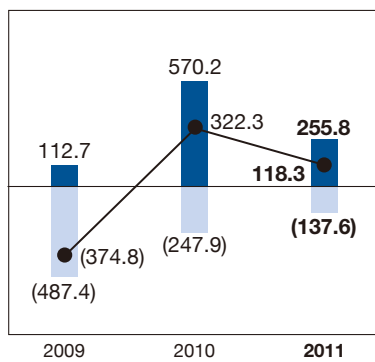
■ Net income (loss) attributable to Sony Corporation's stockholders
● Return on Equity (ROE)

Note: Years ended March 31

Proportion of sales by business

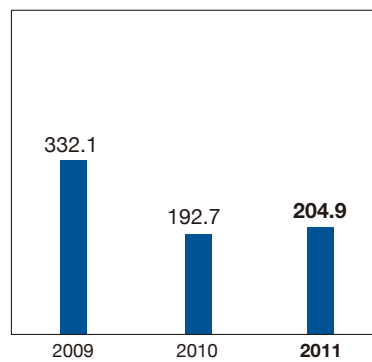


Free cash flow (excluding Financial Services) (Yen in billions)

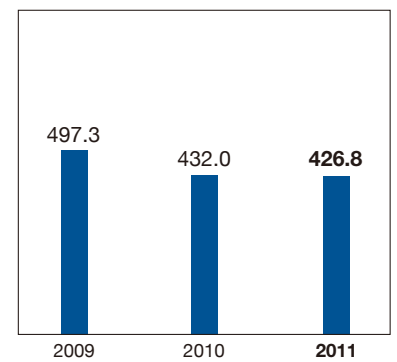


■ Cash flows from operating activities
 ■ Cash flows from investing activities
 ● Free cash flow
 (Combined total of cash flows from operating and investing activities)

Capital expenditures (Yen in billions)

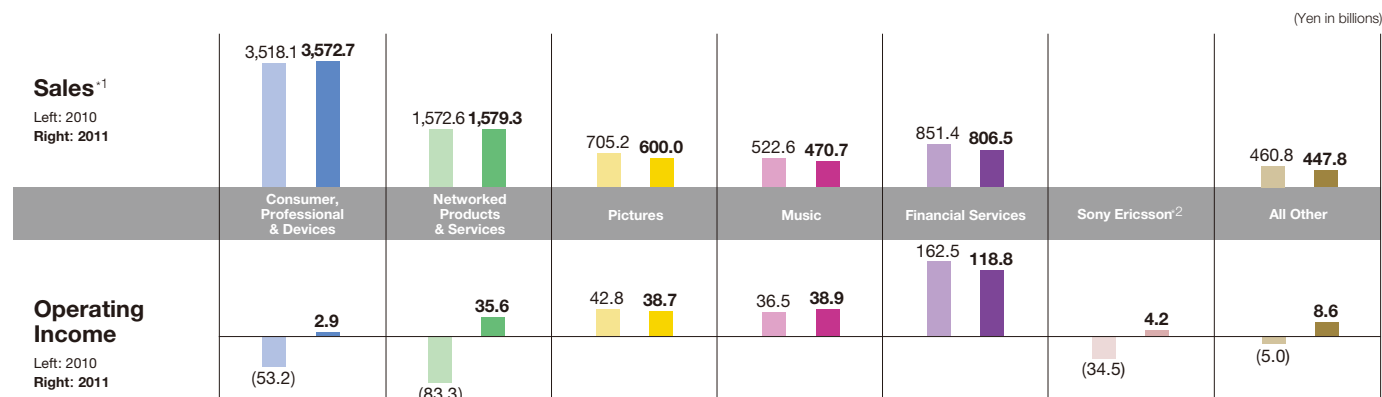


Research and development costs (Yen in billions)



Financial Highlights | Results by Business Segment

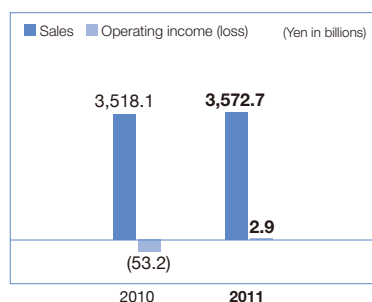
Sales and Operating Income by Segment



*1 Includes operating revenue and intersegment sales; for Financial Services, denotes revenue.

*2 Equity in net income (loss).

Consumer, Professional & Devices (CPD)



Sony's Consumer, Professional & Devices segment includes televisions, digital imaging, audio and video, semiconductors and components as well as professional solutions.

Sales increased 1.6% year-on-year to 3,572.7 billion yen.

- Sales to outside customers increased 4.3% year-on-year.
- The sales increase was primarily due to higher LCD television sales resulting from a significant increase in unit sales that came mostly from the Asia-Pacific, Other Areas and Japan, and higher semiconductor sales resulting from strong performance of small- and medium-sized LCD panels and image sensors. However, the sales increase was partially offset by lower components sales resulting from a decrease in sales of storage media affected by market contraction and a decrease in sales of optical disc drives driven by price competition.

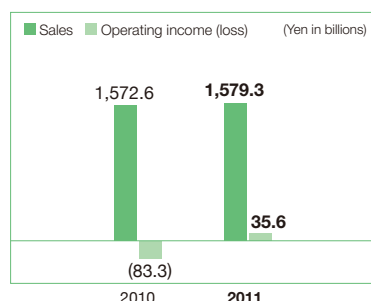
Operating income amounted to 2.9 billion yen, an improvement of 56.1 billion yen compared to the previous fiscal year.

- The segment's significant operating income improvement was driven primarily by an increase in gross profit due to higher sales, a decrease in loss on sale, disposal or impairment of assets and other, net and a decrease in restructuring charges.
- Product categories that favorably impacted the change in segment operating results (excluding restructuring charges and LCD television asset impairment in the previous fiscal year) include semiconductors, reflecting an increase in sales of image sensors, and professional solutions, reflecting an increase in sales of products such as digital cinema projectors. A category that unfavorably impacted the change in segment operating results (excluding restructuring charges) was LCD televisions, reflecting a decline in unit selling prices and unfavorable foreign exchange rates, despite rising unit sales.

Notes: 1. Years ended March 31.

2. Sony realigned its reportable segments from the first quarter of the fiscal year ended March 31, 2011 to reflect modifications to the organizational structure as of April 1, 2010, primarily repositioning the operations of the previously reported B2B & Disc Manufacturing segment. The Networked Products & Services ("NPS"), Pictures, Music and Financial Services segments remain unchanged. In connection with this realignment, both the sales and operating revenue ("sales") and operating income (loss) of each segment in the fiscal year ended March 31, 2010 have been revised to conform to the current presentation. The equity earnings from Sony Ericsson Mobile Communications AB ("Sony Ericsson") continue to be presented as a separate segment.

Networked Products & Services (NPS)



The Networked Products & Services segment consists of the game business, PC and other network businesses.

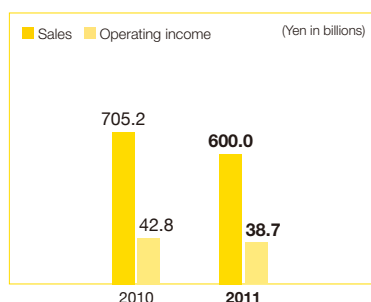
Sales increased 0.4% year-on-year to 1,579.3 billion yen.

- Sales to outside customers decreased 1.2% year-on-year.
- Segment sales were almost flat year-on-year as unfavorable foreign exchange rates offset increased sales mainly in PCs, which saw increased unit sales and an expanding market share in all regions.

Operating income amounted to 35.6 billion yen, an improvement of 118.8 billion yen compared to the previous fiscal year.

- The segment's operating income significantly improved mainly due to a significant improvement in the cost of sales ratio coupled with an increase in gross profit from higher sales, partially offset by unfavorable foreign exchange rates.
- A product category that favorably impacted the change in segment operating results (excluding restructuring charges) was the game business, reflecting significant cost reductions of PlayStation®3 hardware and higher unit sales of PS3 software.

Pictures



The Pictures segment consists of motion pictures and television programming, and other businesses of Sony Pictures Entertainment Inc., which is based in the United States.

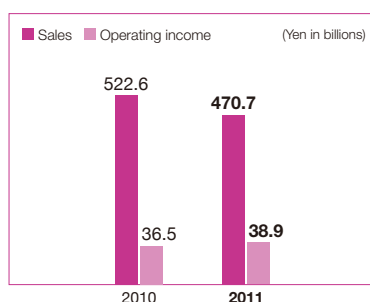
Sales decreased 14.9% year-on-year to 600.0 billion yen.

- The decrease in sales was due to lower motion picture revenues and the appreciation of the yen against the U.S. dollar (an 8% decrease on a U.S. dollar basis).
- While the current year benefited from the strong performances of *The Karate Kid*, *Grown Ups* and *Salt*, international theatrical and worldwide home entertainment revenues declined significantly in comparison to the previous fiscal year which benefited from the strong performances of *2012*, *Angels & Demons* and *Michael Jackson's This Is It*.
- On a U.S. dollar basis, television revenues increased due to higher subscription and advertising revenues from a number of international channels and higher U.S. revenues from cable and syndication programming.

Operating income decreased 4.1 billion yen year-on-year to 38.7 billion yen.

- The decrease was primarily due to the appreciation of the yen against the U.S. dollar.
- On a U.S. dollar basis, operating income was almost flat year-on-year as lower home entertainment revenues from motion picture catalog product and the theatrical underperformance of *How Do You Know* were offset by the higher television revenues.

Music



The Music segment primarily consists of the music recording businesses of U.S.-based Sony Music Entertainment and Japan-based Sony Music Entertainment (Japan) Inc.

Sales decreased 9.9% year-on-year to 470.7 billion yen.

- The sales decrease was primarily due to the negative impact of the appreciation of the yen against the U.S. dollar, the especially strong performance of Michael Jackson product in the previous fiscal year and a continued contraction of the physical music market.
- Best-selling titles during the current year included ikimono-gakari's *IKIMONO BAKARI: MEMBERS' BEST SELECTION*, Susan Boyle's *The Gift*, P!NK's *Greatest Hits ... So Far!!!*, Michael Jackson's *Michael* and music from the cast of the hit television show *Glee*.

Operating income increased 2.4 billion yen year-on-year to 38.9 billion yen.

- Despite the decrease in sales, operating income increased due to decreases in marketing, restructuring and overhead costs.

Financial Services*



The Financial Services segment primarily includes Sony Financial Holdings Inc. (SFH) and SFH's consolidated subsidiaries such as Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. and Sony Bank Inc., as well as the results for Sony Finance International Inc.

Sales decreased 5.3% year-on-year to 806.5 billion yen.

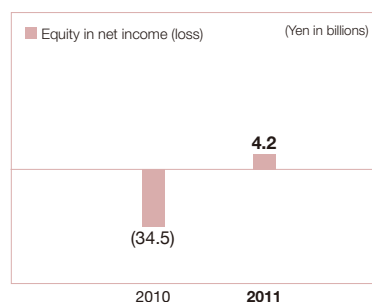
- Financial services revenue decreased primarily due to a decrease in revenue at Sony Life.
- Revenue at Sony Life decreased primarily due to a deterioration in net gains (losses) from asset investments, which was partially offset by an increase in revenue from insurance premiums, reflecting a steady increase in policy amount in force.

Operating income decreased 43.7 billion yen year-on-year to 118.8 billion yen.

- The segment operating income decrease was primarily due to a decrease in operating income at Sony Life.
- The decrease in Sony Life's operating income was mainly due to recording of net valuation gains from investments in convertible bonds in the general account in the previous fiscal year resulting from a significant rise in the Japanese stock market, and an increase in the provision of policy reserves for variable insurance in the separate account, driven primarily by a decline in the Japanese stock market in the current fiscal year.

* Results for Sony Life are based on generally accepted accounting principles in the United States (U.S. GAAP). Accordingly, these figures differ from the results published by SFH and Sony Life, which are based on generally accepted accounting principles in Japan.

Sony Ericsson



Sony Ericsson Mobile Communications AB (Sony Ericsson) undertakes the design, development, production and sales of mobile phones.

(For reference) Sony Ericsson's operating results are accounted for under the equity method and are not consolidated in Sony's consolidated financial statements, as Sony Corporation's ownership percentage of Sony Ericsson is 50%. However, Sony believes that the following disclosure provides additional useful analytical information to investors regarding Sony's operating performance.

Sony recorded equity in net income of Sony Ericsson of 4.2 billion yen for the current fiscal year, compared to equity in net loss of 34.5 billion yen in the previous fiscal year.

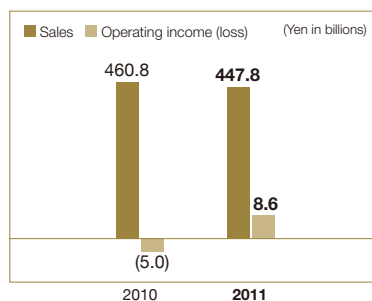
Sales for the year decreased 6.5% year-on-year to 6,034 million euros.

- This decrease was due to a decline in unit shipments as a result of a focus on higher-end smart-phones and a reduction in the size of the product portfolio.

Income before taxes of 133 million euros was recorded for the current year, an improvement of 787 million euros compared to the previous year.

- This improvement was mainly due to the positive impact of a rise in the average selling price, a favorable product mix and improved cost structure. In addition, there was a benefit relating to the reversal of warranty reserves.

All Other



All Other consists of various operating activities, including disc manufacturing business activities and So-net Entertainment Corporation, an Internet-related service business subsidiary operating mainly in Japan.

Sales decreased 2.8 percent year-on-year, to 447.8 billion yen.

- The decrease in sales is mainly due to unfavorable foreign exchange rates and lower sales for the disc manufacturing business.

Operating income of 8.6 billion yen was recorded, an improvement of 13.5 billion yen compared to the previous fiscal year.

- This improvement was mainly due to the fact that in the previous fiscal year there were charges related to the withdrawal from the property management operation of an entertainment complex in Japan and the termination payments of the property lease contract.
- Sales of an unprofitable measuring systems business at the end of March 2010 also contributed to the improvement in the segment's results.

Products, Services and Content

Sony is engaged in a wide range of businesses, including the electronics, game, movie, music, network services and financial services businesses, and the mobile phone business via a joint venture.

Televisions

BRAVIA™ LCD Televisions (HX920 Series)

BRAVIA LCD televisions with Internet connectivity for fiscal year 2011 provide a brand new way to enjoy television. These models also deliver a beautiful clear picture, even for web videos, thanks to the X-Reality™ PRO Picture Engine, which enhances the picture quality of both 2D and 3D images. Sony's new Monolithic Design underscores an increased emphasis on the appearance of televisions.

In fiscal year 2010, sales of Sony LCD televisions rose sharply in markets around the world, including emerging markets and Japan. As a result, sales totaled 22.4 million units, exceeding the total for the preceding fiscal year by 6.8 million units. In fiscal year 2011, Sony will launch attractive new models worldwide and, anticipating growth in emerging and other markets, will strive to further increase television sales.





Digital Imaging

NEX-5 Interchangeable Lens Digital Camera

Sony has succeeded in squeezing digital single lens reflex (DSLR) image quality (14.2 million effective pixels) into a body that is almost as small as that of a compact digital camera, creating a model that is suitable as an entry model camera for compact camera users looking to move up to interchangeable lens digital cameras, as well as for DSLR users looking for a camera they can carry around for everyday use. With contributions from the NEX series, in fiscal year 2010 Sony enjoyed a 15% share of the global market for interchangeable lens digital cameras, up 5 percentage points from fiscal year 2009. Going forward, Sony will increase its lineup of interchangeable lens digital cameras and take decisive steps aimed at cultivating this new market category.

Cyber-shot™ WX Series

Mounted with "Exmor R" back-illuminated complementary metal oxide semiconductor (CMOS) image sensor, Cyber-shot WX Series compact digital cameras capture beautiful images even in low-light environments and are equipped with features that make it easy for users to shoot high-quality Full HD video and 3D still images. With such features earning high marks from customers, sales of compact digital cameras in fiscal year 2010 amounted to 24 million units, 3 million units higher than in fiscal year 2009.

In the video camera business, Sony reported sales of 5.2 million units worldwide, achieving a 43% global market share and maintaining its commanding number one market position. In fiscal year 2011, Sony will expand its lineup of Handycam® video cameras, introducing 3D models that will deliver higher picture and sound quality and also introduce a model featuring a built-in projector function, enabling users to enjoy viewing videos they have shot.



Products, Services and Content



Personal Computer

VAIO® C Series

PCs in the new VAIO® C Series come in a range of vivid color variations that emphasize the personality of the user. The backlit keyboard makes it easy to see the keys, even in dark places, making typing more comfortable. In fiscal year 2010, Sony's market share increased across all regions, supported by the heightened appeal of VAIO® PCs, sales of which amounted to 8.7 million units, a year-on-year increase of 1.9 million units. Despite the rising prevalence of low-priced models, which continues to intensify price competition, the global market for PCs is expected to continue expanding steadily, particularly in emerging markets. Sony will continue to address the challenge of expanding sales in such new markets, and in fiscal year 2011 it plans to offer attractive products with expanded features that appeal to customers.

Digital Music Player

WALKMAN® S Series

In addition to *kashipita*™,*1 which allows users to display song lyrics and automatically scrolls the lyrics in time with the music, the WALKMAN® S Series boasts new functions that enhance enjoyment, including karaoke mode, which reduces the volume of vocals. The addition of digital noise canceling delivers a pleasant listening experience in any environment to a broader range of customers. A lineup of models that allows customers to select features that suit their tastes and lifestyles continues to underscore the popularity of the WALKMAN® S Series among teenagers and a broad range of other customer groups, giving Sony the number one share*2 of Japan's market for portable digital music players. Looking ahead, Sony will work to further differentiate its products from those of its competitors by capitalizing on its acclaimed sound quality technologies and playback functions and by providing a superior listening experience of the kind that can only be enjoyed with a digital music player.

*1 *Kashipita* is only available on models sold in Japan.

*2 BCN Ranking data for manufacturers' shares of the market for portable audio players based on units sold between the first week of December 2010 and the first week of February 2011 (10 consecutive weeks).



Products, Services and Content

Tablet

The Uniquely Designed Android™*1 3.0-Based Sony Tablet*2 Complements Network Services

Sony has announced Sony Tablet, which delivers a perfect combination of hardware, content and network with seamless usability to deliver an enjoyable entertainment experience. Two models have been developed: S1 (codename), which is optimized for rich media entertainment, and S2 (codename), which is ideal for mobile communications and entertainment. Sony Tablet will become available in global market starting in fall 2011.*3

*1 "Android" is a trademark of Google Inc.

*2 "Sony Tablet" is a trademark of Sony Corporation.

*3 Schedule as of April 26, 2011.



Sony Ericsson

Xperia™ arc*¹

Xperia arc features a stunning design and delivers an exceptional multimedia experience on the latest version of the Android*² platform—2.3. The slim and elegant Xperia arc is just 8.7mm at its thinnest part and has an extra wide 4.2-inch multi-touch screen. The Reality Display with Mobile BRAVIA® Engine delivers exceptional visual brilliance and a crystal clear image which enhances the overall entertainment experience. Furthermore, Sony's 8.1-megapixel "Exmor R™ for mobile" CMOS image sensor, newly developed for mobile phones, with the f/2.4 aperture lens, enables the capture of high-quality, bright pictures and HD videos even in low light.

Recognizing the potential of the growing smartphone market, Sony Ericsson Mobile Communications AB has rapidly shifted its focus to mid-range and high-end Android smartphones. In 2011, Sony Ericsson is gradually expanding its lineup of Android-based smartphones, offering models in a wide range of prices.

*1 "Xperia" is a trademark of Sony Ericsson Mobile Communications AB.

*2 "Android" is a trademark of Google Inc.



Game

Sony's Next-Generation Handheld Entertainment System PlayStation®Vita (PS Vita): Delivering the Ultimate Portable Entertainment Experience

PS Vita is an exclusive system designed to realize unparalleled interactive entertainment on PlayStation®. PS Vita takes the cutting-edge entertainment experiences available with the PSP® (PlayStation®Portable) and PlayStation®3 (PS3) platforms a step further, creating a revolutionary way of having fun that converges the gaming world with reality.

In fiscal year 2010, the Game business succeeded in significantly reducing costs for PS3 and in releasing hit titles for the platform, including *GRAN TURISMO® 5*. In fiscal year 2011, with the launch of PS Vita and other new hardware, the business expects to offer even more attractive entertainment experiences.

Products, Services and Content

Pictures

The Smurfs

The Smurfs make their first 3D trip to the big screen in Columbia Pictures' and Sony Pictures Animation's hybrid live-action and animated family comedy, *The Smurfs*. When the evil wizard Gargamel chases the Smurfs out of their village, through a magical portal and into our world, they land in the middle of New York's Central Park. Just three apples high and stuck in the Big Apple, the Smurfs must find a way to get back to their village before Gargamel tracks them down.

(U.S. theatrical release: Summer 2011)



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Zookeeper

In *Zookeeper*, the animals at the Franklin Park Zoo love their kindhearted caretaker, Griffin Keyes (Kevin James). Finding himself more comfortable with a lion than a lady, Griffin decides the only way to get a girl in his life is to leave the zoo and find a more glamorous job. The animals, in a panic, decide to break their time-honored code of silence and reveal their biggest secret: they can talk! To keep Griffin from leaving, they decide to teach him the rules of courtship—animal style. The film also stars Rosario Dawson and Leslie Bibb and features the voices of Cher, Nick Nolte, Adam Sandler and Sylvester Stallone.

(U.S. theatrical release: Summer 2011)



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Justified

In *Justified*, Timothy Olyphant plays the lead role of Deputy U.S. Marshal Raylan Givens. Givens is a modern-day 19th century-style lawman, enforcing his brand of justice in a way that puts a target on his back with criminals and places him at odds with his bosses in the Marshal service.

Music

Foo Fighters

From Dave Grohl's cassette demos that became Foo Fighters' 1995 debut to the new *Wasting Light* debuting at number one worldwide, Foo Fighters have become one of the biggest bands on the planet. Reuniting with producer Butch Vig for the first time since Nirvana's *Nevermind* 20 years ago, Grohl and his crew of Taylor Hawkins, Nate Mendel, Chris Shiflett, Pat Smear and guests Bob Mould and former Nirvana bassist Krist Novoselic have crafted a masterpiece that stands up to anything in the Foo Fighters canon. For 16 years and counting, Foo Fighters have filled the likes of Wembley Stadium, the L.A. Forum and MSG, with hits *The Pretender*, *Best of You*, *Learn To Fly*, *Everlong* and *Monkeywrench*.



Artist: Foo Fighters
Photo credit: Steve Gullick

Products, Services and Content



Artist: Adele
Photo credit: Andrew Yee

Adele

British soul singer Adele's critically lauded sophomore album *21* is a global phenomenon with over 7 million units sold worldwide since its release in early 2011. *21* debuted at number one on the charts in 10 countries and is poised to be the biggest-selling album of 2011. *21* spent 10 weeks at number one on U.S. album charts and is the biggest-selling digital album in U.K. chart history.

Adele burst onto the music scene in 2008 with her debut album *19*, which earned her two GRAMMY® Awards and a Brit Award for Critics Choice.



ikimono-gakari

ikimono-gakari had a big year in fiscal year 2010, singing the hit tune *Arigato*, the theme song for the NHK morning drama *Gegege no Nyobo*, embarking on a nationwide tour that saw them perform in all 47 prefectures and releasing a mega hit album of best singles that sold 1.55 million copies. In fiscal year 2011, ikimono-gakari has an ambitious calendar of activities that will drive the group forward to the next stage. These include the release of a new song that was written as the theme song for *Mezamashi TV*, a morning news program on Fuji Television, and the release of their first live video and two-day live summer concert at Yokohama Stadium.



Taylor Swift

Taylor Swift signed with Sony/ATV Music Publishing* at the age of 14 and has gone on to sell over 15 million albums. Her self-titled debut album and her sophomore album, *FEARLESS*, have combined sales of over 10 million. Her most recent album, *Speak Now*, has sold nearly 3.5 million units in just six months.

In late 2010, Taylor embarked on a worldwide headlining tour, selling out venues across Asia and Europe. She is the top-selling digital artist in music history. At the age of 20, Taylor Swift remains the youngest artist ever to win the GRAMMY® Award for Album of the Year.

*Sony/ATV Music Publishing owns or manages more than 750,000 music copyrights, including those by such legendary artists as The Beatles, Neil Diamond, Bob Dylan, Willie Nelson, Stevie Nicks, Roy Orbison, Joni Mitchell and Hank Williams, as well as those by its growing roster of chart-topping artists like Akon, Enrique Iglesias, Lady Gaga, John Mayer, Shakira and Taylor Swift.



Financial Services

While striving to maintain a highly sound financial position, the group companies of Sony Financial Holdings Inc.—Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank)—provide high-quality financial products through an original business model. Sony Life has steadily expanded its operations and achieved increases in both new policy amount and policy amount in force. It has done this by designing and selling customized life insurance products based on consultations between customers and its Lifeplanner* sales employees and by providing extensive after-sales follow-up services. Sony Assurance provides automobile insurance and enjoys broad customer support for both its reasonable premiums by segmenting risk and its high-quality services, commanding quite a high share among major direct insurers for automobile insurance in Japan. Sony Bank provides highly convenient, high-quality Internet-based financial products and services, centered on asset management, to individual customers, and consistently scores high in customer satisfaction surveys.

* "Lifeplanner" is a registered trademark of Sony Life.



Board of Directors and Corporate Executive Officers

Supervision

Board of Directors

- Determines the fundamental management policies of the Sony Group.
- Oversees the performance of the duties of Directors and Corporate Executive Officers.
- Appoints and dismisses the statutory committee members.
- Appoints and dismisses Corporate Executive Officers and Representative Corporate Executive Officers.

Chairman of the Board: Yotaro Kobayashi*

Howard Stringer	Sony Corporation Representative Corporate Executive Officer, Chairman, Chief Executive Officer and President
Ryoji Chubachi	Sony Corporation Representative Corporate Executive Officer, Vice Chairman
Yotaro Kobayashi*	Former Chairman of the Board, Fuji Xerox Co., Ltd.
Yoshiaki Yamauchi*	Former Director, Sumitomo Mitsui Financial Group, Inc.
Peter Bonfield*	Chairman of the Board, NXP Semiconductors N.V.
Fujio Cho*	Chairman of the Board, Toyota Motor Corporation
Ryuji Yasuda*	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
Yukako Uchinaga*	Director and Executive Vice President, Benesse Holdings, Inc. Chairman of the Board, Chief Executive Officer and President, Berlitz Corporation

Mitsuaki Yahagi*	Chairman of the Board, The Japan Research Institute, Limited
Tsun-Yan Hsieh*	Chairman, LinHart Group
Roland A. Hernandez*	Retired Chairman and Chief Executive Officer, Telemundo Group, Inc.
Kanemitsu Anraku*	Director, Mizuho Financial Group, Inc.
Yorihiko Kojima*	Chairman of the Board, Mitsubishi Corporation
Osamu Nagayama*	Chairman of the Board, President and Chief Executive Officer, Chugai Pharmaceutical Co., Ltd.
Yuichiro Anzai*	Executive Academic Advisor for Keio University Professor, Faculty of Science and Technology, Keio University

Nominating Committee

- Determines the content of proposals regarding the appointment/dismissal of Directors.

Yotaro Kobayashi* (Chairman)
Peter Bonfield*
Fujio Cho*
Roland A. Hernandez*
Yorihiko Kojima*
Yuichiro Anzai*
Howard Stringer
Ryoji Chubachi

Audit Committee

- Monitors the performance of duties by Corporate Executive Officers through reviewing structure to ensure the adequacy of the financial reporting process, structure to enable management to ensure the effectiveness of internal control over financial reporting, structure to ensure timely and appropriate disclosure and to ensure compliance with any applicable law, Articles of Incorporation and internal policies and rules and status of any other items described in the "Internal Control and Governance Framework" determined by the Board of Directors in accordance with the Companies Act of Japan and also monitors the performance of duties by Directors through attending the Nominating Committee or Compensation Committee and reviewing the Business Report and the documents relating to the proxy statement.
- Oversees and evaluates the work of independent auditor, including to evaluate the adequacy of its independence and its qualification, to propose its appointment/dismissal or non-reappointment, to approve its compensation, to evaluate the appropriateness of its audit regarding the financial results and internal control over financial reporting, and to pre-approve its engagement for any other services than audit services to be provided.

Yoshiaki Yamauchi* (Chairman)
Mitsuaki Yahagi*
Kanemitsu Anraku*

Compensation Committee

- Sets policy on the contents of individual compensation for Directors, Corporate Executive Officers, Corporate Executives and Group Executives and determines the amount and content of individual compensation of Directors and Corporate Executive Officers in accordance with the policy.

Ryuji Yasuda* (Chairman)
Tsun-Yan Hsieh*
Osamu Nagayama*

* An Outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan

Execution

Corporate Executive Officers

- Make decisions regarding the execution of Sony Group business activities within the scope of the authority delegated to them by the Board of Directors.

Howard Stringer**	Chairman, Chief Executive Officer and President
Ryoji Chubachi**	Vice Chairman, Officer in charge of Product Quality & Safety and Environmental Affairs
Kazuo Hirai***	Executive Deputy President, Officer in charge of Consumer Products & Services businesses, Common Software Platform, Global Sales and Marketing Platform and Creative Center

Hiroshi Yoshioka	Executive Deputy President, Officer in charge of Professional, Device & Solutions businesses
Keiji Kimura	Executive Vice President, Officer in charge of Intellectual Property and the Disc Manufacturing business
Nicole Seligman	Executive Vice President, General Counsel
Masaru Kato	Executive Vice President, Chief Financial Officer

** Representative Corporate Executive Officer concurrently serving as Director

*** Representative Corporate Executive Officer

Corporate Executives

- Carry out business operations within designated areas, including business units, headquarters functions, and/or research and development, in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers.

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Five-Year Summary of Selected Financial Data

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

	Yen in millions (Yen per share amounts)				
	2007	2008	2009	2010	2011
FOR THE YEAR					
Sales and operating revenue	8,295,695	8,871,414	7,729,993	7,213,998	7,181,273
Equity in net income (loss) of affiliated companies . . .	78,654	100,817	(25,109)	(30,235)	14,062
Operating income (loss)	150,404	475,299	(227,783)	31,772	199,821
Income (loss) before income taxes	180,691	567,134	(174,955)	26,912	205,013
Income taxes	53,888	203,478	(72,741)	13,958	425,339
Net income (loss) attributable to Sony Corporation's stockholders	126,328	369,435	(98,938)	(40,802)	(259,585)
Data per share of common stock:					
Net income (loss) attributable to Sony Corporation's stockholders					
—Basic	126.15	368.33	(98.59)	(40.66)	(258.66)
—Diluted	120.29	351.10	(98.59)	(40.66)	(258.66)
Cash dividends	25.00	25.00	42.50	25.00	25.00
Depreciation and amortization*	400,009	428,010	405,443	371,004	325,366
Capital expenditures (additions to fixed assets) . . .	414,138	335,726	332,068	192,724	204,862
Research and development costs	543,937	520,568	497,297	432,001	426,814
AT YEAR-END					
Net working capital (deficit).	994,871	986,296	(190,265)	72,947	(282,933)
Long-term debt	1,001,005	729,059	660,147	924,207	812,235
Sony Corporation's stockholders' equity.	3,370,704	3,465,089	2,964,653	2,965,905	2,547,987
Common stock	626,907	630,576	630,765	630,822	630,921
Total assets	11,716,362	12,552,739	12,013,511	12,866,114	12,924,988
Number of shares issued at fiscal year-end (thousands of shares of common stock)	1,002,897	1,004,443	1,004,535	1,004,571	1,004,637
Sony Corporation's stockholders' equity per share of common stock	3,363.77	3,453.25	2,954.25	2,955.47	2,538.89

* Depreciation and amortization includes amortization expenses for intangible assets and deferred insurance acquisition costs.

Quarterly Financial and Stock Information

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

	Yen in billions (Yen per share amounts)							
	1st quarter		2nd quarter		3rd quarter		4th quarter	
	2010	2011	2010	2011	2010	2011	2010	2011
Sales and operating revenue	1,599.9	1,661.0	1,661.2	1,733.2	2,237.9	2,206.2	1,715.1	1,580.8
Equity in net income (loss) of affiliated companies	(15.1)	6.7	(12.3)	5.1	(5.9)	2.6	3.1	(0.3)
Operating income (loss)	(25.7)	67.0	(32.6)	68.7	146.1	137.5	(56.0)	(73.4)
Income (loss) before income taxes . . .	(32.9)	78.9	(17.0)	62.7	123.9	131.5	(47.0)	(68.1)
Income taxes	(12.2)	43.7	(1.7)	20.7	33.2	47.6	(5.4)	313.3
Net income (loss) attributable to Sony Corporation's stockholders . . .	(37.1)	25.7	(26.3)	31.1	79.2	72.3	(56.6)	(388.8)
Data per share of common stock								
Net income (loss) attributable to Sony Corporation's stockholders								
—Basic	(36.96)	25.65	(26.22)	31.04	78.89	72.08	(56.37)	(387.42)
—Diluted	(36.96)	25.61	(26.22)	31.00	78.76	71.96	(56.37)	(387.42)
Depreciation and amortization*.	87.2	86.8	93.8	80.9	95.0	78.0	94.9	79.7
Capital expenditures (additions to fixed assets)	57.3	50.3	47.8	35.7	43.7	42.2	43.9	76.6
Research and development costs . . .	99.8	99.1	109.2	106.9	106.7	106.1	116.3	114.7
Tokyo Stock Exchange price per share of common stock:								
High	2,800	3,620	2,810	2,803	2,830	3,090	3,645	3,105
Low	2,050	2,350	2,145	2,258	2,250	2,520	2,694	2,100
New York Stock Exchange price per American Depositary Share:								
High	\$ 28.22	\$ 38.67	\$ 30.15	\$ 32.19	\$ 30.82	\$ 36.88	\$ 40.45	\$ 36.97
Low	21.27	26.58	23.60	25.85	26.25	30.23	29.50	28.95

* Depreciation and amortization includes amortization expenses for intangible assets and deferred insurance acquisition costs.

Segment Information

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

SALES AND OPERATING REVENUE BY BUSINESS SEGMENT*

Years ended March 31	Yen in millions		
	2009	2010	2011
Consumer, Professional & Devices (CPD)			
Customers	3,926,386	3,207,546	3,345,048
Intersegment	431,363	310,573	227,696
Total	4,357,749	3,518,119	3,572,744
Networked Products & Services (NPS)			
Customers	1,684,758	1,511,575	1,493,136
Intersegment	70,885	61,041	86,195
Total	1,755,643	1,572,616	1,579,331
Pictures			
Customers	717,513	705,237	599,654
Intersegment	—	—	312
Total	717,513	705,237	599,966
Music			
Customers	363,074	511,097	457,771
Intersegment	23,979	11,519	12,972
Total	387,053	522,616	470,743
Financial Services			
Customers	523,307	838,300	798,495
Intersegment	14,899	13,096	8,031
Total	538,206	851,396	806,526
All Other			
Customers	453,603	379,862	377,816
Intersegment	76,523	80,904	70,004
Total	530,126	460,766	447,820
Corporate and elimination	(556,297)	(416,752)	(295,857)
Consolidated total	7,729,993	7,213,998	7,181,273

* CPD intersegment amounts primarily consist of transactions with the NPS segment.

NPS intersegment amounts primarily consist of transactions with the CPD segment.

All Other intersegment amounts primarily consist of transactions with the Pictures segment, the Music segment and the NPS segment.

Corporate and elimination includes certain brand and patent royalty income.

OPERATING INCOME (LOSS) BY BUSINESS SEGMENT*

Years ended March 31	Yen in millions		
	2009	2010	2011
Consumer, Professional & Devices	(115,571)	(53,174)	2,898
Networked Products & Services	(87,428)	(83,265)	35,569
Pictures	29,916	42,814	38,669
Music	27,843	36,513	38,927
Financial Services	(31,157)	162,492	118,818
Equity in net income (loss) of Sony Ericsson	(30,255)	(34,514)	4,155
All Other	3,105	(4,976)	8,554
Total	(203,547)	65,890	247,590
Corporate and elimination	(24,236)	(34,118)	(47,769)
Consolidated operating income (loss)	(227,783)	31,772	199,821
Other income	98,825	43,834	44,966
Other expenses	(45,997)	(48,694)	(39,774)
Consolidated income (loss) before income taxes	(174,955)	26,912	205,013

* Operating income (loss) is Sales and operating revenue less Costs and expenses, and includes Equity in net income (loss) of affiliated companies.

Corporate and elimination includes certain restructuring costs and other corporate expenses, which are attributable principally to headquarters and are not allocated to segments.

SALES AND OPERATING REVENUE TO CUSTOMERS BY PRODUCT CATEGORY

Years ended March 31	Yen in millions		
	2009	2010	2011
Consumer, Professional & Devices			
Televisions	1,275,692	1,005,773	1,200,491
Digital Imaging	831,820	664,502	642,570
Audio and Video	531,542	449,882	426,594
Semiconductors	310,682	299,715	358,396
Components	613,013	476,097	410,090
Professional Solutions	346,326	295,360	287,394
Other	17,311	16,217	19,513
Total	3,926,386	3,207,546	3,345,048
Networked Products & Services			
Game	984,855	840,711	798,405
PC and Other Networked Businesses	699,903	670,864	694,731
Total	1,684,758	1,511,575	1,493,136
Pictures	717,513	705,237	599,654
Music	363,074	511,097	457,771
Financial Services	523,307	838,300	798,495
All Other	453,603	379,862	377,816
Corporate	61,352	60,381	109,353
Consolidated total	7,729,993	7,213,998	7,181,273

Note: The table above includes a breakdown of sales and operating revenue to external customers by product category in the CPD and NPS segments.
The CPD and NPS segments are each managed as a single operating segment by Sony's management.

SALES AND OPERATING REVENUE BY GEOGRAPHIC INFORMATION

Years ended March 31	Yen in millions		
	2009	2010	2011
Japan	1,873,219 24.2%	2,099,297 29.1%	2,152,552 30.0%
United States	1,827,812 23.6	1,595,016 22.1	1,443,693 20.1
Europe	1,987,692 25.7	1,644,698 22.8	1,539,432 21.4
Asia-Pacific	1,285,551 16.6	1,193,573 16.6	1,288,412 17.9
Other Areas	755,719 9.9	681,414 9.4	757,184 10.6
Total	7,729,993	7,213,998	7,181,273

Note: Geographic information for the fiscal years ended March 31, 2009 and 2010 in the table above has been restated to reflect the change in geographic classification.

Major areas in each geographic classification excluding Japan and U.S.A. are as follows:

(1) Europe: United Kingdom, France, Germany, Russia and Spain

(2) Asia-Pacific: China, Taiwan, India, South Korea and Oceania

(3) Other Areas: The Middle East/Africa, Brazil, Mexico and Canada

There are not any individually material countries with respect to the sales and operating revenue included in Europe, Asia-Pacific and Other Areas.

Transfers between reportable business segments or geographic areas are made at amounts which Sony's management believes approximate arms-length transactions.

There were no sales and operating revenue with any single major external customer for the fiscal years ended March 31, 2009, 2010 and 2011.

Consolidated Balance Sheets

Sony Corporation and Consolidated Subsidiaries—As of March 31

	Yen in millions	
	2010	2011
ASSETS		
Current assets:		
Cash and cash equivalents	1,191,608	1,014,412
Marketable securities	579,493	646,171
Notes and accounts receivable, trade	996,100	834,221
Allowance for doubtful accounts and sales returns	(104,475)	(90,531)
Inventories	645,455	704,043
Deferred income taxes	197,598	133,059
Prepaid expenses and other current assets	627,093	602,671
Total current assets	4,132,872	3,844,046
Film costs	310,065	275,389
Investments and advances:		
Affiliated companies	229,051	221,993
Securities investments and other	5,070,342	5,670,662
	5,299,393	5,892,655
Property, plant and equipment:		
Land	153,067	145,968
Buildings	897,054	868,615
Machinery and equipment	2,235,032	2,016,956
Construction in progress	71,242	53,219
	3,356,395	3,084,758
Less—Accumulated depreciation	(2,348,444)	(2,159,890)
	1,007,951	924,868
Other assets:		
Intangibles, net	378,917	391,122
Goodwill	438,869	469,005
Deferred insurance acquisition costs	418,525	428,262
Deferred income taxes	403,537	239,587
Other	475,985	460,054
Total other assets	2,115,833	1,988,030
Total assets	12,866,114	12,924,988

(Continued on following page.)

	Yen in millions	
	2010	2011
LIABILITIES		
Current liabilities:		
Short-term borrowings	48,785	53,737
Current portion of long-term debt	235,822	109,614
Notes and accounts payable, trade	817,118	793,275
Accounts payable, other and accrued expenses	1,003,197	1,013,037
Accrued income and other taxes	69,175	79,076
Deposits from customers in the banking business	1,509,488	1,647,752
Other	376,340	430,488
Total current liabilities	4,059,925	4,126,979
Long-term debt	924,207	812,235
Accrued pension and severance costs	295,526	271,320
Deferred income taxes	236,521	306,227
Future insurance policy benefits and other	3,876,292	4,225,373
Other	188,088	226,952
Total liabilities	9,580,559	9,969,086
Redeemable noncontrolling interest	—	19,323
EQUITY		
Sony Corporation's stockholders' equity:		
Common stock, no par value—		
2010—Shares authorized 3,600,000,000, shares issued: 1,004,571,464	630,822	
2011—Shares authorized 3,600,000,000, shares issued: 1,004,636,664		630,921
Additional paid-in capital	1,157,812	1,159,666
Retained earnings	1,851,004	1,566,274
Accumulated other comprehensive income—		
Unrealized gains on securities, net	62,337	50,336
Unrealized losses on derivative instruments, net	(36)	(1,589)
Pension liability adjustment	(148,989)	(152,165)
Foreign currency translation adjustments	(582,370)	(700,786)
	(669,058)	(804,204)
Treasury stock, at cost		
Common stock		
2010—1,039,656 shares	(4,675)	
2011—1,051,588 shares		(4,670)
Total Sony Corporation's stockholders' equity	2,965,905	2,547,987
Noncontrolling interests	319,650	388,592
Total equity	3,285,555	2,936,579
Total liabilities and equity	12,866,114	12,924,988

Consolidated Statements of Income

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

	Yen in millions		
	2009	2010	2011
Sales and operating revenue:			
Net sales	7,110,053	6,293,005	6,304,401
Financial services revenue	523,307	838,300	798,495
Other operating revenue	96,633	82,693	78,377
	7,729,993	7,213,998	7,181,273
Costs and expenses:			
Cost of sales	5,660,504	4,892,563	4,831,363
Selling, general and administrative	1,686,030	1,544,890	1,501,813
Financial services expenses	547,825	671,550	675,788
(Gain) loss on sale, disposal or impairment of assets and other, net	38,308	42,988	(13,450)
	7,932,667	7,151,991	6,995,514
Equity in net income (loss) of affiliated companies	(25,109)	(30,235)	14,062
Operating income (loss)	(227,783)	31,772	199,821
Other income:			
Interest and dividends	22,317	13,191	11,783
Gain on sale of securities investments, net	1,281	9,953	14,325
Foreign exchange gain, net	48,568	—	9,297
Other	26,659	20,690	9,561
	98,825	43,834	44,966
Other expenses:			
Interest	24,376	22,505	23,909
Loss on devaluation of securities investments	4,427	2,946	7,669
Foreign exchange loss, net	—	10,876	—
Other	17,194	12,367	8,196
	45,997	48,694	39,774
Income (loss) before income taxes	(174,955)	26,912	205,013
Income taxes:			
Current	80,521	48,698	117,918
Deferred	(153,262)	(34,740)	307,421
	(72,741)	13,958	425,339
Net income (loss)	(102,214)	12,954	(220,326)
Less—net income (loss) attributable to noncontrolling interests	(3,276)	53,756	39,259
Net loss attributable to Sony Corporation's stockholders	(98,938)	(40,802)	(259,585)

(Continued on following page.)

	Yen		
	2009	2010	2011
Per share data:			
Common stock			
Net loss attributable to Sony Corporation's stockholders			
—Basic	(98.59)	(40.66)	(258.66)
—Diluted	(98.59)	(40.66)	(258.66)
Cash dividends	42.50	25.00	25.00

Consolidated Statements of Cash Flows

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

	Yen in millions		
	2009	2010	2011
Cash flows from operating activities:			
Net income (loss)	(102,214)	12,954	(220,326)
Adjustments to reconcile net income (loss) to net cash provided by operating activities—			
Depreciation and amortization, including amortization of deferred insurance acquisition costs	405,443	371,004	325,366
Amortization of film costs.	255,713	277,665	250,192
Stock-based compensation expense	3,446	2,202	1,952
Accrual for pension and severance costs, less payments	16,654	(9,763)	(15,229)
(Gain) loss on sale, disposal or impairment of assets and other, net	38,308	42,988	(13,450)
(Gain) loss on sale or devaluation of securities investments, net	3,146	(7,007)	(6,656)
(Gain) loss on revaluation of marketable securities held in the financial service business for trading purpose, net	77,952	(49,837)	10,958
(Gain) loss on revaluation or impairment of securities investments held in the financial service business, net	101,114	(53,984)	5,080
Deferred income taxes.	(153,262)	(34,740)	307,421
Equity in net (income) losses of affiliated companies, net of dividends	65,470	36,183	(11,479)
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable, trade	218,168	(53,306)	104,515
(Increase) decrease in inventories.	160,432	148,584	(112,089)
Increase in film costs	(264,412)	(296,819)	(244,063)
Increase (decrease) in notes and accounts payable, trade	(375,842)	262,032	(18,119)
Increase (decrease) in accrued income and other taxes	(163,200)	63,619	(8,020)
Increase in future insurance policy benefits and other	174,549	284,972	278,897
Increase in deferred insurance acquisition costs.	(68,666)	(71,999)	(69,196)
Increase in marketable securities held in the financial service business for trading purpose	(26,088)	(8,335)	(30,102)
(Increase) decrease in other current assets.	134,175	(32,405)	(89,473)
Increase (decrease) in other current liabilities	(105,155)	5,321	56,076
Other.	11,422	23,578	113,990
Net cash provided by operating activities.	407,153	912,907	616,245

(Continued on following page.)

	Yen in millions		
	2009	2010	2011
Cash flows from investing activities:			
Payments for purchases of fixed assets	(496,125)	(338,050)	(253,688)
Proceeds from sales of fixed assets	153,439	15,671	18,743
Payments for investments and advances by financial service business	(2,496,783)	(1,581,841)	(1,458,912)
Payments for investments and advances (other than financial service business) . . .	(178,335)	(41,838)	(15,316)
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances by financial service business.	1,923,264	1,128,500	874,031
Proceeds from maturities of marketable securities, sales of securities investments and collections of advances (other than financial service business) . . .	11,569	54,324	30,332
Proceeds from sales of businesses	—	22,084	99,335
Other	1,629	(4,854)	(8,964)
Net cash used in investing activities.	(1,081,342)	(746,004)	(714,439)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	72,188	510,128	1,499
Payments of long-term debt	(264,467)	(144,105)	(216,212)
Increase (decrease) in short-term borrowings, net.	244,584	(250,252)	6,120
Increase in deposits from customers in the financial service business, net.	261,619	276,454	229,327
Dividends paid	(42,594)	(25,085)	(25,098)
Other	(3,872)	(2,126)	(5,748)
Net cash provided by (used in) financing activities	267,458	365,014	(10,112)
Effect of exchange rate changes on cash and cash equivalents	(18,911)	(1,098)	(68,890)
Net increase (decrease) in cash and cash equivalents	(425,642)	530,819	(177,196)
Cash and cash equivalents at beginning of the fiscal year	1,086,431	660,789	1,191,608
Cash and cash equivalents at end of the fiscal year	660,789	1,191,608	1,014,412
Supplemental data:			
Cash paid during the fiscal year for—			
Income taxes	242,528	60,022	116,376
Interest	22,729	19,821	20,583
Non-cash investing and financing activities—			
Obtaining assets by entering into capital lease	5,831	2,553	3,738
Collections of deferred proceeds from sales of receivables.	—	—	153,550

Consolidated Statements of Changes in Stockholders' Equity

Sony Corporation and Consolidated Subsidiaries—Years ended March 31

Yen in millions

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
Balance at March 31, 2008	630,576	1,151,447	2,059,361	(371,527)	(4,768)	3,465,089	276,849	3,741,938
Exercise of stock acquisition rights	189	189				378	18	396
Stock-based compensation.		3,423				3,423		3,423
Comprehensive income:								
Net loss			(98,938)			(98,938)	(3,276)	(102,214)
Other comprehensive income, net of tax—								
Unrealized losses on securities				(40,859)		(40,859)	(15,992)	(56,851)
Unrealized gains on derivative instruments.				1,787		1,787		1,787
Pension liability adjustment				(74,517)		(74,517)	(548)	(75,065)
Foreign currency translation adjustments. . .				(247,697)		(247,697)	797	(246,900)
Total comprehensive loss						(460,224)	(19,019)	(479,243)
Stock issue costs, net of tax			(4)			(4)		(4)
Dividends declared			(42,648)			(42,648)	(6,056)	(48,704)
Purchase of treasury stock					(302)	(302)		(302)
Reissuance of treasury stock.		(25)	(152)		416	239		239
Transactions with noncontrolling interests shareholders and other							157	157
Effects of changing the pension plan measurement date			(668)	(630)		(1,298)		(1,298)
Balance at March 31, 2009	630,765	1,155,034	1,916,951	(733,443)	(4,654)	2,964,653	251,949	3,216,602
Exercise of stock acquisition rights	57	57				114	6	120
Stock-based compensation.		2,174				2,174		2,174
Comprehensive income:								
Net income (loss)			(40,802)			(40,802)	53,756	12,954
Other comprehensive income, net of tax—								
Unrealized gains on securities.				32,267		32,267	16,527	48,794
Unrealized gains on derivative instruments.				1,548		1,548	2	1,550
Pension liability adjustment				23,720		23,720	(27)	23,693
Foreign currency translation adjustments. . .				6,850		6,850	(343)	6,507
Total comprehensive income						23,583	69,915	93,498
Dividends declared			(25,088)			(25,088)	(5,399)	(30,487)
Purchase of treasury stock					(139)	(139)		(139)
Reissuance of treasury stock.			(57)		118	61		61
Transactions with noncontrolling interests shareholders and other		547				547	3,179	3,726
Balance at March 31, 2010	630,822	1,157,812	1,851,004	(669,058)	(4,675)	2,965,905	319,650	3,285,555

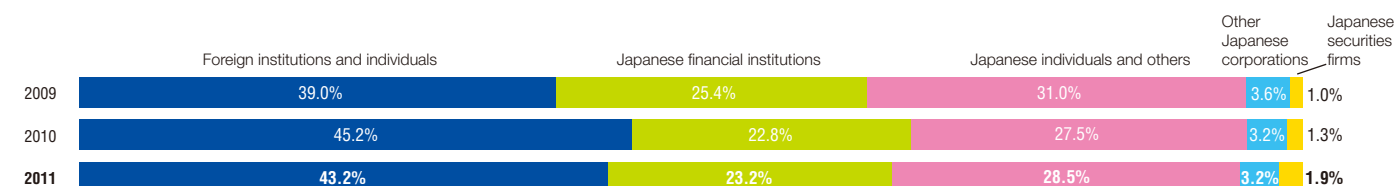
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	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Sony Corporation's stockholders' equity	Noncontrolling interests	Total equity
Balance at March 31, 2010	630,822	1,157,812	1,851,004	(669,058)	(4,675)	2,965,905	319,650	3,285,555
Exercise of stock acquisition rights	99	99				198	22	220
Stock-based compensation.		1,782				1,782		1,782
Comprehensive income:								
Net income (loss)			(259,585)			(259,585)	39,259	(220,326)
Other comprehensive income, net of tax—								
Unrealized losses on securities				(12,001)		(12,001)	(3,516)	(15,517)
Unrealized losses on derivative instruments.				(1,553)		(1,553)		(1,553)
Pension liability adjustment				(3,176)		(3,176)	(123)	(3,299)
Foreign currency translation adjustments. . .				(118,416)		(118,416)	(616)	(119,032)
Total comprehensive income (loss)						(394,731)	35,004	(359,727)
Stock issue costs, net of tax			(8)			(8)		(8)
Dividends declared			(25,089)			(25,089)	(6,599)	(31,688)
Purchase of treasury stock					(111)	(111)		(111)
Reissuance of treasury stock.			(48)		116	68		68
Transactions with noncontrolling interests shareholders and other		(27)				(27)	40,515	40,488
Balance at March 31, 2011	630,921	1,159,666	1,566,274	(804,204)	(4,670)	2,547,987	388,592	2,936,579

Stock Information

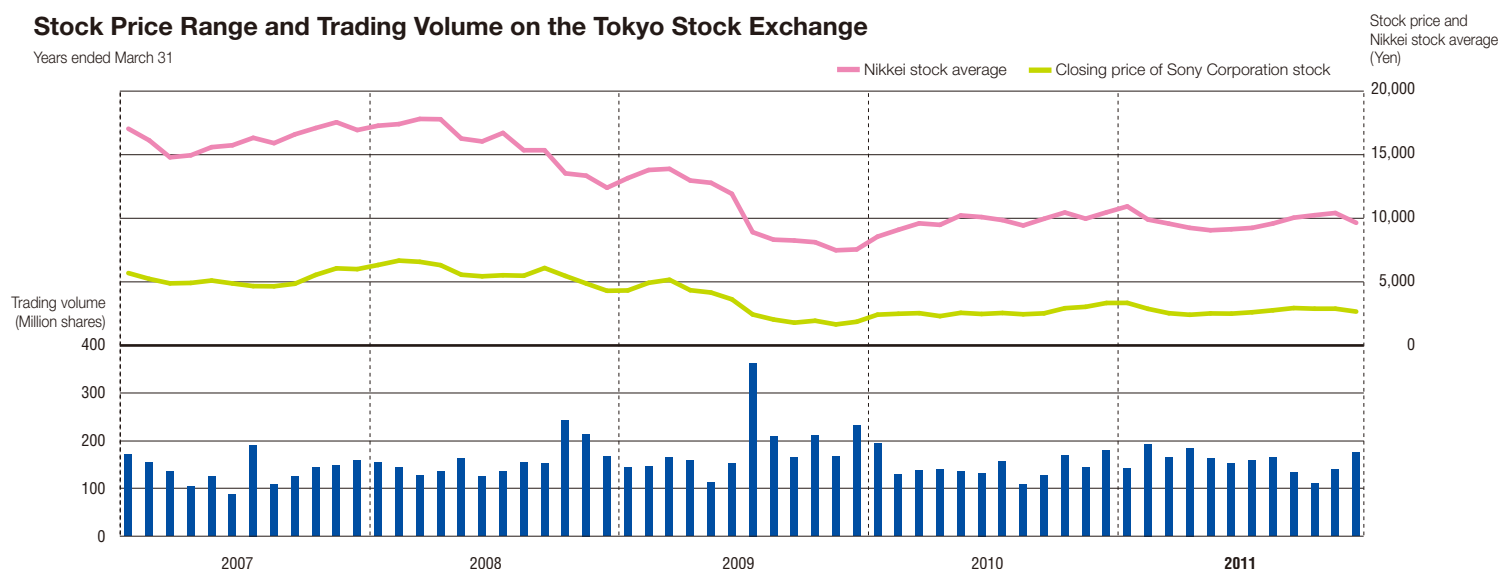
Ownership and Distribution of Shares

Years ended March 31	2009		2010		2011	
	Number of shares held	Number of shareholders	Number of shares held	Number of shareholders	Number of shares held	Number of shareholders
Foreign institutions and individuals	391,610,510	1,394	453,778,031	1,400	434,213,781	1,377
Japanese financial institutions	254,990,242	269	229,010,572	220	232,697,072	213
Japanese individuals and others	311,694,942	755,092	276,702,976	686,311	286,552,249	692,569
Other Japanese corporations	35,954,100	4,419	32,309,935	3,906	32,575,060	3,904
Japanese securities firms	10,285,570	68	12,769,950	64	18,598,502	92
Total	1,004,535,364	761,242	1,004,571,464	691,901	1,004,636,664	698,155



Stock Price Range and Trading Volume on the Tokyo Stock Exchange

Years ended March 31



- Notes: 1. This trading volume shows the monthly volume of trade on the Tokyo Stock Exchange. Each fiscal year starts in April and ends in March.
 2. Stock prices and the Nikkei stock average is based on a simple average of daily closing prices for each day of every month on the Tokyo Stock Exchange.

Years ended March 31	2007	2008	2009	2010	2011
Stock price (Yen)					
At year-end	5,990	3,970	1,998	3,580	2,664
High	6,540	7,190	5,560	3,645	3,620
Low	4,340	3,910	1,491	2,050	2,100
Annual increase/decrease	+9.9%	-33.7%	-49.7%	+79.2%	-25.6%
Number of shares outstanding at year-end (Thousands of shares) . . .	1,002,897	1,004,443	1,004,535	1,004,571	1,004,637
Market capitalization at year-end (Yen in trillions)	6.01	3.99	2.01	3.60	2.68
Per share of common stock data (Yen)					
Cash dividends applicable to the year	25.00	25.00	42.50	25.00	25.00
Net income (loss) (diluted)	120.29	351.10	(98.59)	(40.66)	(258.66)
Stockholders' equity	3,363.77	3,453.25	2,954.25	2,955.47	2,538.89

Investor Information

SONY CORPORATION

7-1, Konan 1-chome, Minato-ku,
Tokyo 108-0075, Japan

INVESTOR RELATIONS OFFICES

If you have any questions or would like a copy of our Form 20-F, filed with the U.S. Securities and Exchange Commission, or our Annual Report to shareholders, please direct your request to:

■ Japan

SONY CORPORATION

IR Department
7-1, Konan 1-chome, Minato-ku,
Tokyo 108-0075
Phone: 81-(0)3-6748-2111

■ U.S.A.

SONY CORPORATION OF AMERICA

Investor Relations
550 Madison Avenue, 27th Floor,
New York, NY 10022-3211
Phone: 1-212-833-6849

■ U.K.

SONY GLOBAL TREASURY SERVICES PLC.

Investor Relations Europe
15th Floor, Aviva Tower, St. Helens, 1 Undershaft,
London EC3A 8NP
Phone: 44-(0)20-7426-8696

SONY ON THE INTERNET

Sony's Investor Relations Home Pages on the World Wide Web offer a wealth of corporate information, including the latest annual report and financial results.
<http://www.sony.net/IR/>

ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Ordinary General Meeting of Shareholders is held in June.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers Aarata
Sumitomo Fudosan Shiodome Hamarikyu Bldg.
8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan

DEPOSITARY, TRANSFER AGENT AND REGISTRAR FOR AMERICAN DEPOSITARY RECEIPTS

JPMorgan Chase Bank N.A.
1 Chase Manhattan Plaza, Floor 58, New York, NY 10005

■ Contact Address:

JPMorgan Service Center
P.O. Box 64504
St. Paul, MN 55164-0504
Phone: General: 1-800-990-1135
From outside the U.S.A.: 1-651-453-2128

TRANSFER AGENT

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 137-8081, Japan
Phone: 81-(0)3-3212-1211

OVERSEAS STOCK EXCHANGE LISTINGS

New York and London stock exchanges

JAPANESE STOCK EXCHANGE LISTINGS

Tokyo and Osaka stock exchanges

NUMBER OF SHAREHOLDERS

(As of March 31, 2011)
698,155

INFORMATION REGARDING CSR (Corporate Social Responsibility)

Sony's CSR Report and information about Sony CSR and environmental activities can be accessed at the following website.
<http://www.sony.net/csr/>

Inquiries concerning the aforementioned activities can be directed to:

Sony Corporation
Corporate Social Responsibility Department
Phone: 81-(0)3-6748-2111

Cautionary Statement

Statements made in this annual report with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "intend," "seek," "may," "might," "could" or "should," and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Sony cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to (i) the global economic environment in which Sony operates and the economic conditions in Sony's markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets and liabilities are denominated; (iii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including LCD televisions and game platforms, which are offered in highly competitive markets characterized by continual new product and service introductions, rapid development in technology and subjective and changing consumer preferences; (iv) Sony's ability and timing to recoup large-scale investments required for technology development and production capacity; (v) Sony's ability to implement successful business restructuring and transformation efforts under changing market conditions; (vi) Sony's ability to implement successful hardware, software, and content integration strategies for all segments excluding the Financial Services segment, and to develop and implement successful sales and distribution strategies in light of the Internet and other technological developments; (vii) Sony's continued ability to devote sufficient resources to research and development and, with respect to capital expenditures, to prioritize investments correctly (particularly in the Consumer, Professional & Devices segment); (viii) Sony's ability to maintain product quality; (ix) the success of Sony's acquisitions, joint ventures and other strategic investments; (x) Sony's ability to forecast demands, manage timely procurement and control inventories; (xi) the outcome of pending legal and/or regulatory proceedings; (xii) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment; (xiii) the impact of unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment; and (xiv) risks related to the Great East Japan Earthquake and its aftermath. Risks and uncertainties also include the impact of any future events with material adverse impacts.



SONY

make.believe

At Sony we believe in the power of imagination.

Catching dreams and pulling them down into reality.

Filling our technology with emotion, vision and wonder.

We believe curiosity is the key to creativity.

Creating stories, creating experiences, creating progress.

We believe our imagination can unlock your imagination...

So that anything you can imagine you can make real.

make.believe

Annual Report 2011
Year Ended March 31, 2011
Sony Corporation